

EXHIBIT 1

1
2 IN THE UNITED STATES DISTRICT COURT
3 FOR THE WESTERN DISTRICT OF OKLAHOMA

4 - - - - -x

5 IN RE SANDRIDGE ENERGY,) No. CIV-12-1341-W
6 INC. SECURITIES LITIGATION) Relating to All
7) Securities Actions

8
9 620 Eighth Avenue
10 New York, New York

11 April 19, 2018
12 9:07 a.m.

13
14
15
16 VIDEOTAPED DEPOSITION of JAMES MACE,
17 on behalf of Lead Plaintiffs Laborers
18 Pension Trust Fund for Northern Nevada,
19 in the above-entitled action, held at the
20 above time and place, taken before Dawn
21 Matera, a Shorthand Reporter and Notary
22 Public of the State of New York
23
24
25

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1 JAMES MACE

2 Q. Who did you meet with?

3 A. Frank and Nathan.

4 Q. And those are the two attorneys

5 who are here with you today?

6 A. Yes.

7 Q. How long did you meet with

8 them?

9 A. Three hours.

10 Q. Did you do anything else to

11 prepare for your deposition?

12 A. No.

13 Q. And in the course of the three

14 hour meeting that you had with your

15 counsel to prepare for your deposition,

16 did you review any documents?

17 A. Yes.

18 Q. What documents did you review?

19 (DIRECTION NOT TO ANSWER)

20 MR. KARAM: I object and direct

21 the witness not to answer based on

22 work product privilege.

23 MR. GIMBEL: Okay.

24 Q. Did any of the documents that

25 you reviewed refresh your recollection as

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1 JAMES MACE

2 to the matters that we are going to be

3 discussing here today?

4 A. Yes.

5 Q. Why don't you tell us, for the

6 record, what those documents were.

7 A. The complaint. The retainer

8 agreement. I think that's all I recall

9 that we looked at.

10 Q. Anything else?

11 A. Not that I recall.

12 Q. Okay.

13 MR. GIMBEL: We're going to mark

14 as Exhibit 1, the Notice of Your

15 Deposition.

16 [The Notice of Deposition,]was

17 hereby marked as Mace Exhibit 1 for

18 identification, as of this date.]

19 Q. Do you have Exhibit 1 in front

20 of you?

21 A. Yes.

22 Q. Do you recognize this document?

23 (Witness reviews document.)

24 A. No.

25 Q. Did you review it before, in

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1 JAMES MACE

2 the course of your preparation or any

3 other time?

4 A. No.

5 Q. There is a -- you will see on

6 page 2 that it gives notice, among other

7 things, of the deposition of the Laborers

8 Pension Trust Fund for Northern Nevada.

9 And on pages 4, 5 and -- 4 through 7, it

10 has a list of topics of examination.

11 Have you ever reviewed that

12 list of topics for examination?

13 A. No.

14 Q. So I take from the fact that

15 you haven't reviewed the list, that you

16 didn't do anything to prepare yourself to

17 testify on behalf of Northern Nevada on

18 these 22 topics?

19 MR. KARAM: Objection. Assumes

20 facts not in evidence.

21 Q. You can answer the question.

22 A. Would you repeat that?

23 Q. I will rephrase the question.

24 A. Okay.

25 Q. Did you do anything to prepare

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1 JAMES MACE

2 to testify today as to the list of topics

3 in the deposition notice that has been

4 marked as Exhibit 1?

5 A. No.

6 Q. Scanning down the list, can you

7 tell me if there are topics on this list

8 which you're prepared to not to testify

9 to today?

10 A. I'm sure they will come up.

11 Again, I have not seen this document, so

12 I can't -- without reading it.

13 Q. So we'll try to get through the

14 deposition, as best we can.

15 A. Okay.

16 Q. Why don't we just start with a

17 couple of background questions.

18 A. Okay.

19 Q. If you could summarize for me,

20 briefly, your educational background,

21 beginning with where you went to college?

22 A. Graduated from the University

23 of California at Santa Barbara. And then

24 became a CPA in the State of Nevada in

25 the '80s, early '80s. Have been a fund

<p style="text-align: right;">Page 22</p> <p>1 JAMES MACE</p> <p>2 A. Maybe four.</p> <p>3 Q. Is that the only law firm that</p> <p>4 you have such an arrangement with?</p> <p>5 A. Yes.</p> <p>6 Q. Why don't we mark as Exhibit 2</p> <p>7 Lead Plaintiffs' Responses and Objections</p> <p>8 to Defendants' James Bennett and Matthew</p> <p>9 Grubb's First Set of Interrogatories.</p> <p>10 [The document titled Lead</p> <p>11 Plaintiffs' Responses and Objections</p> <p>12 to Defendants James D. Bennett and</p> <p>13 Matthew K. Grubb's First Set of</p> <p>14 Interrogatories, was hereby marked as</p> <p>15 Mace Exhibit 2 for identification, as</p> <p>16 of this date.]</p> <p>17 Q. Let me know when you have</p> <p>18 Exhibit 2 in front of you.</p> <p>19 A. I have Exhibit 2 in front of</p> <p>20 me.</p> <p>21 Q. Do you recognize this document?</p> <p>22 (Witness reviews document.)</p> <p>23 A. Yes.</p> <p>24 Q. And have you reviewed it</p> <p>25 before?</p>	<p style="text-align: right;">Page 24</p> <p>1 JAMES MACE</p> <p>2 A. Yes, I did.</p> <p>3 Q. So you believe the responses in</p> <p>4 this document to be true?</p> <p>5 A. Yes.</p> <p>6 Q. And when you were mistaken a</p> <p>7 moment ago and you thought you were</p> <p>8 looking at the complaint, you haven't</p> <p>9 read every word of the complaint?</p> <p>10 A. That's correct.</p> <p>11 Q. Fair enough.</p> <p>12 On page 19, if you will take a</p> <p>13 look at that, you see at the top of the</p> <p>14 page it identifies four securities class</p> <p>15 actions in which the Laborers Pension</p> <p>16 Trust Fund for Northern Nevada sought to</p> <p>17 become a Lead Plaintiff.</p> <p>18 Do you have that in front of</p> <p>19 you?</p> <p>20 A. I do, yes.</p> <p>21 Q. And it states that Robbins</p> <p>22 Geller served as counsel in each of those</p> <p>23 four cases; is that correct?</p> <p>24 A. Yes.</p> <p>25 Q. Could you briefly describe for</p>
<p style="text-align: right;">Page 23</p> <p>1 JAMES MACE</p> <p>2 A. I have seen it. I haven't read</p> <p>3 every word.</p> <p>4 Q. Am I correct, sir, that you</p> <p>5 verified these interrogatory responses?</p> <p>6 A. I did, yes.</p> <p>7 Q. And you did that without</p> <p>8 reading every word?</p> <p>9 A. I thought this was the --</p> <p>10 (Witness reviews document.)</p> <p>11 A. I'm sorry, I thought this was</p> <p>12 the complaint.</p> <p>13 Q. Have you seen this document</p> <p>14 before?</p> <p>15 A. Yes.</p> <p>16 Q. And why don't you tell me what</p> <p>17 you think this document is then, so that</p> <p>18 we're all on the same page.</p> <p>19 A. I thought this was -- I believe</p> <p>20 this is responses to questions by your</p> <p>21 firm about the complaint.</p> <p>22 Q. And have you read every word of</p> <p>23 this document?</p> <p>24 A. Most, but not every word.</p> <p>25 Q. And you verified this document?</p>	<p style="text-align: right;">Page 25</p> <p>1 JAMES MACE</p> <p>2 the record -- obviously, one of those</p> <p>3 cases is this case, so we will leave that</p> <p>4 out.</p> <p>5 But the three other cases, can</p> <p>6 you briefly describe for the record what</p> <p>7 each of those cases was about, starting</p> <p>8 with the first Glass versus ATI</p> <p>9 Technologies?</p> <p>10 A. I don't recall what Glass was</p> <p>11 specifically about.</p> <p>12 The second was Children's</p> <p>13 Place. That was where there was errors</p> <p>14 made by the executives.</p> <p>15 I don't -- and then I don't --</p> <p>16 obviously, we're passing SandRidge.</p> <p>17 And I don't recall what Bofl</p> <p>18 Holdings was.</p> <p>19 Q. So let me go back for a second</p> <p>20 to Robbins Geller serving as your counsel</p> <p>21 in all of these cases.</p> <p>22 I think you testified earlier</p> <p>23 that you had an arrangement with Robbins</p> <p>24 Geller where they identified potential</p> <p>25 litigation to you; is that right?</p>

7 (Pages 22 - 25)

<p style="text-align: right;">Page 26</p> <p>1 JAMES MACE</p> <p>2 A. Yes.</p> <p>3 Q. And were all of these cases</p> <p>4 identified to you by Robbins Geller to</p> <p>5 Northern Nevada?</p> <p>6 A. Yes.</p> <p>7 Q. As potential claims?</p> <p>8 A. Yes.</p> <p>9 MR. KARAM: Let counsel finish.</p> <p>10 THE WITNESS: I know, I know.</p> <p>11 Sorry.</p> <p>12 Q. So the idea of filing</p> <p>13 litigation in each of these cases</p> <p>14 originated with Robbins Geller.</p> <p>15 Would that be fair to say?</p> <p>16 A. Yes.</p> <p>17 Q. How did Northern Nevada's</p> <p>18 relationship with Robbins Geller begin?</p> <p>19 A. Years ago, to the best of my</p> <p>20 recollection, they contacted Mr. Jenkins</p> <p>21 and offered to provide this service. And</p> <p>22 Mr. Jenkins accepted or recommended that</p> <p>23 the Trust Fund accept their services.</p> <p>24 Q. And since Mr. Jenkins is</p> <p>25 sitting right here with us, it would be</p>	<p style="text-align: right;">Page 28</p> <p>1 JAMES MACE</p> <p>2 And you talked about the Hall</p> <p>3 case is a case involving some errors by</p> <p>4 the Children's Place retail stores?</p> <p>5 A. Yes.</p> <p>6 Q. Am I correct that that case</p> <p>7 ultimately ended in a settlement?</p> <p>8 A. Yes.</p> <p>9 Q. So there was no judicial</p> <p>10 decision on the merits of those claims,</p> <p>11 correct?</p> <p>12 MR. KARAM: Objection. Calls</p> <p>13 for a legal conclusion.</p> <p>14 Q. You can answer the question.</p> <p>15 A. I believe so, yes.</p> <p>16 Q. How about the Glass case, am I</p> <p>17 correct that there was a judicial</p> <p>18 decision on the merits of that case?</p> <p>19 A. I don't recall.</p> <p>20 Q. Let me take a step back.</p> <p>21 We will go back to the Glass</p> <p>22 case in a minute.</p> <p>23 But it says in the</p> <p>24 interrogatory response that Northern</p> <p>25 Nevada sought to become a Lead Plaintiff</p>
<p style="text-align: right;">Page 27</p> <p>1 JAMES MACE</p> <p>2 discourteous not to ask for the record</p> <p>3 what services he performs for Northern</p> <p>4 Nevada?</p> <p>5 A. He's Trust Fund legal counsel.</p> <p>6 Q. Okay. And for how long has he</p> <p>7 occupied that position?</p> <p>8 A. 30, 40 years.</p> <p>9 Q. Did you ever consider using a</p> <p>10 firm other than Robbins Geller for any of</p> <p>11 these four cases listed in the</p> <p>12 interrogatories?</p> <p>13 A. No.</p> <p>14 Q. Did you ever interview another</p> <p>15 firm?</p> <p>16 A. No.</p> <p>17 Q. Have you ever sought securities</p> <p>18 litigation advice from a firm other than</p> <p>19 Robbins Geller?</p> <p>20 A. No.</p> <p>21 Q. Why not?</p> <p>22 A. It's not a primary function of</p> <p>23 the Trust Fund.</p> <p>24 Q. I want to talk about and talk a</p> <p>25 little bit about each of these cases.</p>	<p style="text-align: right;">Page 29</p> <p>1 JAMES MACE</p> <p>2 in each of these cases or a Class</p> <p>3 representative, correct?</p> <p>4 A. Yes.</p> <p>5 Q. And was it, in fact, appointed</p> <p>6 Lead Plaintiff or Class representative in</p> <p>7 each of these cases; do you know?</p> <p>8 A. Don't know.</p> <p>9 Q. But the Bofl case, that is</p> <p>10 still pending; is that correct?</p> <p>11 A. I don't know.</p> <p>12 Q. Was filed in February of 2016,</p> <p>13 correct?</p> <p>14 A. Correct.</p> <p>15 Q. And you have no recollection of</p> <p>16 what that case is about?</p> <p>17 A. I do not.</p> <p>18 Q. Do you know what Bofl is?</p> <p>19 A. I do not.</p> <p>20 Q. Who at Northern Nevada would</p> <p>21 know that?</p> <p>22 A. Perhaps Mr. Jenkins.</p> <p>23 Q. Is there anyone internal to</p> <p>24 Northern Nevada, if you will, any</p> <p>25 trustees of Northern Nevada or anyone who</p>

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1 JAMES MACE
2 filed.
3 I am going to ask you to take a
4 look at the Court's discussion, beginning
5 on page 15.
6 Do you see the paragraph that
7 begins "As stated above, Plaintiffs
8 specify in their consolidated amended
9 class action complaint 16 allegedly
10 misleading statements made by Defendants
11 or other parties during the Class
12 period"?
13 A. Yes.
14 Q. And just you can take your time
15 to look at this, I just want to know
16 whether this refreshes your recollection
17 at all as to this litigation?
18 A. No, it does not.
19 Q. Was it fair to say this case
20 was basically run by your outside counsel
21 at the time, and Northern Nevada didn't
22 have much involvement in it day-to-day?
23 MR. KARAM: Objection.
24 Q. You can answer the question.
25 MR. KARAM: Objection. That

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1 JAMES MACE
2 assumes facts not in evidence.
3 A. I don't know.
4 Q. Who at Northern Nevada would
5 know the answer to that question?
6 A. Perhaps Mr. Jenkins.
7 Q. And Mr. Jenkins, again, is your
8 outside counsel?
9 A. Correct.
10 Q. Is Mr. Jenkins also someone who
11 has appeared as a Plaintiff's lawyer in
12 securities litigation on behalf of
13 Northern Nevada?
14 A. In the Children's Place, yes.
15 Q. The order that has been marked
16 as Exhibit 5 dismisses the complaint in
17 the ATI case.
18 Did Northern Nevada, to your
19 recollection, ever appeal that decision?
20 A. I don't know.
21 Q. And who would have the answer
22 to that question?
23 A. Legal counsel.
24 Q. And that's Mr. Jenkins, again?
25 A. And Robbins Geller, yes.

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1 JAMES MACE
2 Q. But nobody inside of Northern
3 Nevada would know the disposition of this
4 case?
5 A. Correct.
6 MR. GIMBEL: So why don't we
7 mark Exhibit 6.
8 [The retainer agreement between
9 Laborers Pension Trust Fund for
10 Northern Nevada and the law firm of
11 Milberg Weiss Bershad Hynes & Lerach,
12 LLP, Bates stamped NNEV0000001
13 through 004, was hereby marked as
14 Mace Exhibit 6 for identification, as
15 of this date.]
16 Q. Exhibit 6 is an agreement
17 between Laborers Pension Trust Fund for
18 Northern Nevada and the law firm of
19 Milberg Weiss Bershad Hynes & Lerach,
20 LLP. It is Bates numbered NNEV 1 through
21 4.
22 Do you have that document in
23 front of you?
24 A. Yes.
25 Q. Do you recognize this document?

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1 JAMES MACE
2 (Witness reviews document.)
3 A. Yes.
4 Q. Would you please identify it
5 for the record?
6 A. It's a retainer agreement for
7 portfolio monitoring.
8 Q. And what was the purpose of
9 this agreement, as you understood it?
10 A. The process was that the Trust
11 Fund would send information to this law
12 firm. And they would review --
13 investment information to the law firm.
14 And they would review the transactions of
15 the portfolio of the Trust, and they
16 would make recommendations to Mr. Jenkins
17 or the Trust Fund legal counsel who would
18 then, in turn, would take that
19 information to the Board of Trustees to
20 make a decision as to whether to follow
21 those recommendations.
22 Q. Okay. And would it be fair to
23 say that, in essence, Northern Nevada
24 outsourced the function of identifying
25 potential litigation claims to its

<p style="text-align: right;">Page 38</p> <p>1 JAMES MACE</p> <p>2 counsel?</p> <p>3 A. Yes.</p> <p>4 Q. And this particular agreement</p> <p>5 is with the firm of Milberg Weiss --</p> <p>6 A. Yes.</p> <p>7 Q. -- correct?</p> <p>8 You were the primary contact</p> <p>9 for Northern Nevada under this agreement,</p> <p>10 correct?</p> <p>11 A. Outside legal counsel would</p> <p>12 have been. Mr. Jenkins would have been.</p> <p>13 Q. I ask you to look at paragraph</p> <p>14 10.</p> <p>15 A. Correct.</p> <p>16 Q. And it designates two parties</p> <p>17 as primary contacts under the agreement.</p> <p>18 Do you see that?</p> <p>19 A. I do.</p> <p>20 Q. And you're designated for</p> <p>21 Northern Nevada as the primary contact?</p> <p>22 A. Right. They would provide</p> <p>23 information to me along with Mr. Jenkins.</p> <p>24 Q. But functionally, Mr. Jenkins</p> <p>25 was playing a greater role; is that fair?</p>	<p style="text-align: right;">Page 40</p> <p>1 JAMES MACE</p> <p>2 Against ATI Technologies," was hereby</p> <p>3 marked as Mace Exhibit 7 for</p> <p>4 identification, as of this date.]</p> <p>5 Do you see that?</p> <p>6 (Witness reviews document.)</p> <p>7 A. I do.</p> <p>8 Q. And I am going to direct your</p> <p>9 attention to the second paragraph.</p> <p>10 Do you see that it is</p> <p>11 soliciting persons who might wish to</p> <p>12 serve as Lead Plaintiff in the ATI</p> <p>13 securities litigation?</p> <p>14 A. Yes.</p> <p>15 Q. And it directs anybody who</p> <p>16 might be interested in performing that</p> <p>17 role to please contact Plaintiff's</p> <p>18 counsel William Lerach.</p> <p>19 Do you see that?</p> <p>20 A. Yes.</p> <p>21 Q. Does that refresh your</p> <p>22 recollection that Mr. Lerach solicited</p> <p>23 Lead Plaintiffs for the ATI Technologies</p> <p>24 securities case?</p> <p>25 MR. KARAM: Objection.</p>
<p style="text-align: right;">Page 39</p> <p>1 JAMES MACE</p> <p>2 A. Yes.</p> <p>3 Q. And the primary contact who's</p> <p>4 designated at Milberg Weiss was William</p> <p>5 Lerach; is that right?</p> <p>6 A. That's what it says.</p> <p>7 Q. Okay. Mr. Lerach was</p> <p>8 responsible for soliciting lead</p> <p>9 Plaintiffs, in fact, for at least one of</p> <p>10 the lawsuits in which Northern Nevada</p> <p>11 participated; is that right?</p> <p>12 MR. KARAM: Objection. The</p> <p>13 witness is not competent. But if you</p> <p>14 know, go ahead.</p> <p>15 Q. Go ahead.</p> <p>16 A. I don't know.</p> <p>17 MR. GIMBEL: I ask the court</p> <p>18 reporter to mark as Exhibit 7, a press</p> <p>19 release titled "Lerach Coughlin Stoia</p> <p>20 Geller Rudman & Robbins LLC Files</p> <p>21 class Action Suit Against ATI</p> <p>22 Technologies."</p> <p>23 [The press release titled</p> <p>24 "Lerach Coughlin Stoia Geller Rudman</p> <p>25 & Robbins LLC Files Class Action Suit</p>	<p style="text-align: right;">Page 41</p> <p>1 JAMES MACE</p> <p>2 Competence. Go ahead.</p> <p>3 Q. You can answer the question.</p> <p>4 MR. KARAM: You have to use</p> <p>5 words.</p> <p>6 A. No.</p> <p>7 Q. Am I correct, sir, that Milberg</p> <p>8 Weiss, the law firm with which you</p> <p>9 entered this portfolio monitoring</p> <p>10 agreement, was indicted for bribery and</p> <p>11 fraud for paying illegal kickbacks to</p> <p>12 parties willing to serve as lead</p> <p>13 Plaintiffs?</p> <p>14 A. I believe so.</p> <p>15 Q. And several of its partners</p> <p>16 went to jail in connection with that</p> <p>17 kickback scheme, correct?</p> <p>18 A. I believe the only one that I</p> <p>19 was aware of was Mr. Weiss.</p> <p>20 Q. Isn't it true, sir, that</p> <p>21 Mr. Lerach, who was your primary contact</p> <p>22 in your portfolio monitoring agreement,</p> <p>23 also went to jail with the kickback</p> <p>24 scheme?</p> <p>25 A. I don't know.</p>

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1 JAMES MACE
 2 MR. GIMBEL: Why don't we mark
 3 Exhibit 8.
 4 [The news release from the
 5 United States Attorney's Office for
 6 the Central District of California,
 7 dated September 18th, 2007, titled
 8 William Lerach, Former Name Partner
 9 in Milberg Weiss, to Plead Guilty to
 10 Conspiracy to Obstruct Justice and
 11 Make False Statements to Federal
 12 Judges Across U.S., was hereby marked
 13 as Mace Exhibit 8 for identification,
 14 as of this date.]
 15 MR. GIMBEL: I asked the court
 16 reporter to mark as Exhibit 8, a news
 17 release from the United States
 18 Attorney's Office for the Central
 19 District of California, dated
 20 September 18th, 2007, titled William
 21 Lerach, Former Name Partner in Milberg
 22 Weiss, to Plead Guilty to Conspiracy
 23 to Obstruct Justice and Make False
 24 Statements to Federal Judges Across
 25 U.S.

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1 JAMES MACE
 2 (Witness reviews document.)
 3 Q. Do you have that in front of
 4 you, sir?
 5 A. Yes.
 6 Q. And do you see that in the
 7 first paragraph, it notes that William
 8 Lerach has agreed to plead guilty to a
 9 federal conspiracy charge and acknowledge
 10 that he and others agreed to conceal from
 11 judges in federal courts Milberg Weiss'
 12 secret payment arrangements with named
 13 Plaintiffs in class-action lawsuits?
 14 A. I see that.
 15 Q. And you see that in paragraph
 16 3, it notes "The indictment of Milberg
 17 Weiss and two of its name partners for
 18 allegedly participating in a scheme in
 19 which several individuals were paid
 20 millions of dollars in secret kickbacks
 21 in exchange for serving as Lead
 22 Plaintiffs in more than 150 class action
 23 and shareholder derivative action
 24 lawsuits."
 25 Do you see that?

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1 JAMES MACE
 2 A. Yes.
 3 Q. Does that refresh your
 4 recollection that, in fact, William
 5 Lerach was incited and pled guilty in
 6 connection with this kickback scheme
 7 involving Lead Plaintiff in securities
 8 litigation?
 9 A. It does not.
 10 Q. Did you have any knowledge or
 11 awareness of this at the time that you
 12 entered into a -- or that the portfolio
 13 monitoring agreement that you had was in
 14 place?
 15 A. No.
 16 MR. KARAM: I am going to object
 17 to that because --
 18 MR. GIMBEL: Excuse me?
 19 MR. KARAM: I object, counsel.
 20 It's a misleading question, because
 21 portfolio --
 22 MR. GIMBEL: Your speaking
 23 objections are not appropriate and
 24 you're now coaching the witness. If
 25 you have an objection to form.

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1 JAMES MACE
 2 MR. KARAM: Objection.
 3 Misstates prior evidence.
 4 MR. GIMBEL: Objection to form,
 5 that's enough.
 6 MR. KARAM: Mischaracterizes the
 7 document. These are all legally
 8 cognizable grounds on which a judge
 9 can rule.
 10 MR. GIMBEL: You're well beyond
 11 federal rules in a civil procedure.
 12 MR. KARAM: I am allowed to
 13 state the ground for my objection,
 14 counsel.
 15 MR. GIMBEL: No, you're not.
 16 MR. KARAM: Yes, I am.
 17 MR. GIMBEL: This is a speaking
 18 objection and you are coaching the
 19 witness.
 20 MR. KARAM: Objection.
 21 Argumentative. Objection, misleading
 22 to the witness. Objection, misstates
 23 prior evidence.
 24 MR. GIMBEL: You're coaching the
 25 witness.

<p style="text-align: right;">Page 46</p> <p>1 JAMES MACE</p> <p>2 MR. KARAM: Objection,</p> <p>3 mischaracterizes the evidence. Those</p> <p>4 are my objections.</p> <p>5 MR. GIMBEL: You should confine</p> <p>6 your objections to form. And they</p> <p>7 need to be stated concisely. And you</p> <p>8 know the federal rule on that.</p> <p>9 Q. Going back to the portfolio</p> <p>10 monitoring agreement that we marked as</p> <p>11 Exhibit 6, was this agreement ever</p> <p>12 terminated?</p> <p>13 A. I don't know.</p> <p>14 Q. In paragraph 11, it states "The</p> <p>15 client may terminate this agreement at</p> <p>16 any time in writing."</p> <p>17 Do you see that?</p> <p>18 A. Yes.</p> <p>19 Q. Did Northern Nevada ever</p> <p>20 terminate this agreement in writing?</p> <p>21 A. I don't know.</p> <p>22 Q. Who would have the answer to</p> <p>23 that question?</p> <p>24 A. Legal counsel.</p> <p>25 Q. Mr. Jenkins?</p>	<p style="text-align: right;">Page 48</p> <p>1 JAMES MACE</p> <p>2 Q. You can answer.</p> <p>3 A. I believe it would have been</p> <p>4 discussed.</p> <p>5 Q. Might it have caused you to</p> <p>6 terminate your relationship with the</p> <p>7 firm?</p> <p>8 A. I don't know.</p> <p>9 Q. What sort of diligence does</p> <p>10 Northern Nevada do in deciding whether to</p> <p>11 obtain -- I am sorry, retain counsel?</p> <p>12 A. In this case, we would rely on</p> <p>13 Trust Fund's legal counsel.</p> <p>14 Q. And that's Mr. Jenkins?</p> <p>15 A. Yes.</p> <p>16 Q. All right. Do you have Exhibit</p> <p>17 7 in front of you?</p> <p>18 A. Yes.</p> <p>19 Q. Do you recognize Exhibit 7?</p> <p>20 A. You just handed it to me, yes.</p> <p>21 Q. Well, have you ever seen it</p> <p>22 before?</p> <p>23 A. No.</p> <p>24 Q. Okay. So Exhibit 7 is a --</p> <p>25 MR. JENKINS: I think you're on</p>
<p style="text-align: right;">Page 47</p> <p>1 JAMES MACE</p> <p>2 A. Yes.</p> <p>3 Q. You don't recall any discussion</p> <p>4 at Northern Nevada of the indictment of</p> <p>5 the Milberg Weiss firm in the Lead</p> <p>6 Plaintiff kickback scam?</p> <p>7 A. I do not.</p> <p>8 MR. GIMBEL: I would like to</p> <p>9 mark as Exhibit 9, another portfolio</p> <p>10 monitoring agreement.</p> <p>11 [The retainer agreement between</p> <p>12 the Laborers Pension Trust Fund and</p> <p>13 Robbins Geller, was hereby marked as</p> <p>14 Mace Exhibit 9 for identification, as</p> <p>15 of this date.]</p> <p>16 Q. Before we get to Exhibit 9, let</p> <p>17 me just ask you, would you have had</p> <p>18 concerns about working with the Milberg</p> <p>19 Weiss firm if you had known about this</p> <p>20 bribery and kickback scheme involving</p> <p>21 Lead Plaintiffs?</p> <p>22 MR. KARAM: Objection.</p> <p>23 THE WITNESS: I can answer?</p> <p>24 MR. KARAM: You can answer.</p> <p>25 A. Sorry.</p>	<p style="text-align: right;">Page 49</p> <p>1 JAMES MACE</p> <p>2 the wrong Exhibit.</p> <p>3 MR. GIMBEL: Do we have a</p> <p>4 confusion of the numbers?</p> <p>5 We just marked another portfolio</p> <p>6 monitoring agreement. Exhibit 9. My</p> <p>7 apologies.</p> <p>8 Q. So why don't you put Exhibit 9</p> <p>9 in front of you.</p> <p>10 A. Yes.</p> <p>11 Q. And we'll start over.</p> <p>12 Do you recognize Exhibit 9?</p> <p>13 (Witness reviews document.)</p> <p>14 A. Yes.</p> <p>15 Q. Can you describe, for the</p> <p>16 record, what it is?</p> <p>17 A. Retainer agreement between the</p> <p>18 Laborers Pension Trust Fund and Robbins</p> <p>19 Geller.</p> <p>20 Q. Is this another portfolio</p> <p>21 monitoring agreement?</p> <p>22 A. Yes.</p> <p>23 Q. Why did Northern Nevada enter</p> <p>24 into this portfolio monitoring agreement</p> <p>25 with Robbins Geller?</p>

<p style="text-align: right;">Page 50</p> <p>1 JAMES MACE</p> <p>2 A. I don't know.</p> <p>3 Q. Who would know the answer to</p> <p>4 that question?</p> <p>5 A. Legal counsel.</p> <p>6 Q. And that's Mr. Jenkins?</p> <p>7 A. Yes.</p> <p>8 Q. Would the trustees know why</p> <p>9 they entered into this agreement?</p> <p>10 A. They probably followed</p> <p>11 Mr. Jenkins' recommendation.</p> <p>12 Q. Are you aware of any other</p> <p>13 portfolio monitoring agreements entered</p> <p>14 into by Northern Nevada other than the</p> <p>15 two that we have identified on the record</p> <p>16 today?</p> <p>17 A. No.</p> <p>18 Q. You hesitated there, I think,</p> <p>19 for the moment.</p> <p>20 A. Well, the relationship remained</p> <p>21 the same. Laura and Sandra Stein were</p> <p>22 with both firms. I think you see that</p> <p>23 here, their names are familiar to me.</p> <p>24 And if there is another firm, then it</p> <p>25 would be related to them.</p>	<p style="text-align: right;">Page 52</p> <p>1 JAMES MACE</p> <p>2 and publically traded equities, and to</p> <p>3 provide monthly updates to Robbins Geller</p> <p>4 on securities transactions.</p> <p>5 Do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. And did Northern Nevada fulfill</p> <p>8 its obligations under that paragraph?</p> <p>9 A. I don't know.</p> <p>10 Q. Okay. Does Robbins Geller</p> <p>11 receive monthly statements showing</p> <p>12 securities transactions of Northern</p> <p>13 Nevada?</p> <p>14 A. I believe so.</p> <p>15 Q. And in paragraphs 1 and 2, it</p> <p>16 states, in substance, that Robbins</p> <p>17 Geller, for its part, will then determine</p> <p>18 whether there are potential claims that</p> <p>19 Northern Nevada might bring for losses</p> <p>20 under the federal securities laws.</p> <p>21 Is that a fair summary?</p> <p>22 A. Yes.</p> <p>23 Q. Why enter into this agreement</p> <p>24 rather than simply monitoring your own</p> <p>25 portfolio and deciding on your own</p>
<p style="text-align: right;">Page 51</p> <p>1 JAMES MACE</p> <p>2 Q. Okay. Can you explain who</p> <p>3 Laura and Sandra Stein are, and what</p> <p>4 Northern Nevada's relationship is and has</p> <p>5 been with them over the years?</p> <p>6 A. They represent Robbins Geller.</p> <p>7 Q. They are attorneys at Robbins</p> <p>8 Geller?</p> <p>9 A. Yes.</p> <p>10 Q. And how did Northern Nevada get</p> <p>11 involved with Laura and Sandra Stein?</p> <p>12 A. I don't know.</p> <p>13 Q. Is that a long-standing</p> <p>14 relationship?</p> <p>15 A. Years.</p> <p>16 Q. It's a relationship that dates</p> <p>17 back to when Laura and Sandra Stein were</p> <p>18 at Milberg Weiss; is that correct?</p> <p>19 A. I believe so.</p> <p>20 Q. In paragraph 3 of the</p> <p>21 agreement, it states, in substance, that</p> <p>22 to assist Robbins Geller in fulfilling</p> <p>23 its duties under this agreement, Northern</p> <p>24 Nevada was to provide five years of past</p> <p>25 statements showing monthly transactions</p>	<p style="text-align: right;">Page 53</p> <p>1 JAMES MACE</p> <p>2 whether you might have securities</p> <p>3 litigation claims?</p> <p>4 A. Specialized area of the law</p> <p>5 that we don't have the expertise to make</p> <p>6 those decisions.</p> <p>7 Q. So you're better off letting</p> <p>8 counsel decide whether you have a claim?</p> <p>9 A. Right. Correct.</p> <p>10 MR. KARAM: Counsel, when you</p> <p>11 feel it's an appropriate time to take</p> <p>12 a break in the next --</p> <p>13 MR. GIMBEL: Sure. We can take</p> <p>14 a break in a few minutes.</p> <p>15 MR. KARAM: Take your time.</p> <p>16 Q. Did you have a portfolio</p> <p>17 monitoring arrangement in place at the</p> <p>18 time that you first got involved in this</p> <p>19 litigation about SandRidge Energy?</p> <p>20 A. Just rephrase that or a little</p> <p>21 bit more specific?</p> <p>22 Q. Did you have a portfolio</p> <p>23 monitoring arrangement with Robbins</p> <p>24 Geller when you first got involved in</p> <p>25 this litigation?</p>

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1 JAMES MACE
2 A. I believe so.
3 MR. GIMBEL: We can take a
4 break.
5 MR. KARAM: Thank you.
6 THE VIDEOGRAPHER: We are now
7 off the record. The time is 9:55.
8 (Off the record.)
9 THE VIDEOGRAPHER: Now on the
10 record. The time on the video monitor
11 is 10:05.
12 Q. So Mr. Mace, let's resume.
13 A. Okay.
14 Q. How did Northern Nevada first
15 get involved in this case?
16 A. The process, as we talked about
17 before, is that we retained Robbins
18 Geller under legal counsel's
19 recommendation.
20 And part of that is that we
21 provide them with investment information.
22 They analyze that information.
23 And then they, Robbins Geller,
24 would come back to Mr. Jenkins with a
25 recommendation.

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1 JAMES MACE
2 And then Mr. Jenkins would
3 submit that recommendation to the
4 trustees, which they did, which was to
5 get involved.
6 Q. I understand the process,
7 generally.
8 A. Okay.
9 Q. So I am just focused on this
10 case, in particular.
11 What do you recall about the
12 genesis of this litigation?
13 A. Mr. Jenkins brought a
14 recommendation to the trustees to get
15 involved in this case.
16 Q. The trustees followed his
17 recommendation, I take it?
18 A. They did, yes.
19 Q. Did the trustees ever consider
20 hiring other counsel to prosecute this
21 litigation?
22 A. I don't know.
23 Q. Have the trustees ever used
24 other counsel to bring securities claims
25 on their behalf?

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1 JAMES MACE
2 A. No, I don't believe so.
3 Q. Did it occur to Northern Nevada
4 that it might have a possible claim
5 before being approached by counsel under
6 this portfolio monitoring agreement?
7 A. I don't believe so.
8 MR. KARAM: What number is this?
9 THE REPORTER: 10.
10 [The retainer agreement between
11 Robbins Geller Rudman & Dowd and the
12 Trust Fund to enter into litigation
13 with SandRidge Energy Inc., Bates
14 stamped NNEV0000015, was hereby
15 marked as Mace Exhibit 10 for
16 identification, as of this date.]
17 Q. Do you have Exhibit 10 in front
18 of you, sir?
19 A. Yes.
20 Q. Do you recognize this document?
21 (Witness reviews document.)
22 A. Yes.
23 Q. Would you identify it please
24 for the record?
25 A. It's the retainer agreement to

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1 JAMES MACE
2 have the Trust Fund enter into the
3 prosecution, I guess, of the SandRidge
4 Energy claims.
5 Q. The letter is addressed to
6 Mr. Jenkins; is that correct?
7 A. Yes.
8 Q. And why is that?
9 A. Mr. Jenkins is Trust fund legal
10 counsel.
11 Q. Now in paragraph 9 of this
12 agreement, it provides that "Robbins
13 Geller will defend and indemnify Northern
14 Nevada Laborers for any claims asserted
15 against Northern Nevada Laborers for its
16 institution, prosecution and/or
17 resolution of this action including but
18 not limited to claims or sanctions
19 involving attorneys' fees or costs."
20 Do you see that?
21 A. Yes.
22 Q. Do you know what the genesis of
23 that provision is?
24 A. No.
25 Q. Would it be fair to say that,

<p style="text-align: right;">Page 70</p> <p>1 JAMES MACE</p> <p>2 three trustees and an alternate.</p> <p>3 Q. Okay. So the trustees are</p> <p>4 appointed, essentially by unions.</p> <p>5 Is that fair to say?</p> <p>6 A. Half by unions, half by</p> <p>7 management.</p> <p>8 Q. Okay. Maybe you could just</p> <p>9 describe, for the record, what the</p> <p>10 Laborers Pension Trust for Northern</p> <p>11 Nevada is. I don't think we have that in</p> <p>12 the record.</p> <p>13 A. It's a defined benefit pension</p> <p>14 plan. It covers 5,600 pensioners. The</p> <p>15 collective bargaining parties agree to a</p> <p>16 specific contribution amount that goes</p> <p>17 into the Trust based on number of hours</p> <p>18 worked. And that, in turn, there's</p> <p>19 formulas that calculate the benefits that</p> <p>20 a retiree will get when they retire.</p> <p>21 Q. Okay. Thank you.</p> <p>22 Have you ever heard of the</p> <p>23 SandRidge Investor Group?</p> <p>24 A. No.</p> <p>25 Q. Have you ever communicated with</p>	<p style="text-align: right;">Page 72</p> <p>1 JAMES MACE</p> <p>2 approximately?</p> <p>3 A. Years ago.</p> <p>4 Q. Has Northern Nevada ever</p> <p>5 communicated with the Construction</p> <p>6 Laborers Pension Fund of Greater St.</p> <p>7 Louis?</p> <p>8 A. Not that I am aware of.</p> <p>9 Q. Were they involved in the</p> <p>10 conference call that you just mentioned?</p> <p>11 A. I believe so.</p> <p>12 Q. Has Northern Nevada done</p> <p>13 anything independent of counsel to</p> <p>14 investigate the basis for its claims in</p> <p>15 this case?</p> <p>16 A. No.</p> <p>17 [The document titled</p> <p>18 Declaration of James G. Mace In</p> <p>19 Support of Lead Plaintiffs' Motion</p> <p>20 For Class Certification, was hereby</p> <p>21 marked as Mace Exhibit 13 for</p> <p>22 identification, as of this date.]</p> <p>23 Q. Do you have Exhibit 13 in front</p> <p>24 of you, sir?</p> <p>25 A. Yes.</p>
<p style="text-align: right;">Page 71</p> <p>1 JAMES MACE</p> <p>2 any of the other Plaintiffs, named</p> <p>3 Plaintiffs in this action? And by "you,"</p> <p>4 I mean Northern Nevada.</p> <p>5 A. I believe there is a conference</p> <p>6 call. We had a conference call somewhere</p> <p>7 in this process to discuss it.</p> <p>8 Q. And which Plaintiffs</p> <p>9 participated in that conference call?</p> <p>10 A. I don't recall.</p> <p>11 Q. Okay. As you sit here now, can</p> <p>12 you tell me who the other named</p> <p>13 Plaintiffs are?</p> <p>14 A. I believe it's the Construction</p> <p>15 Laborers Trust Fund out of St. Louis.</p> <p>16 And then the -- a husband and wife, I</p> <p>17 believe. A man and a woman. It begins</p> <p>18 with a G.</p> <p>19 Q. Would that be the Galkins?</p> <p>20 A. Thank you, the Galkins.</p> <p>21 Q. Has Northern Nevada ever</p> <p>22 communicated with the Galkins?</p> <p>23 A. I think just on the conference</p> <p>24 call.</p> <p>25 Q. When was that conference call,</p>	<p style="text-align: right;">Page 73</p> <p>1 JAMES MACE</p> <p>2 MR. GIMBEL: For the record,</p> <p>3 Exhibit 13 is an Exhibit from the</p> <p>4 Court filings in this case. And I</p> <p>5 believe it contains declarations from</p> <p>6 each of the parties who are seeking</p> <p>7 appointment as class representatives.</p> <p>8 But the first declaration is titled</p> <p>9 the Declaration of James Mace in</p> <p>10 Support of Lead Plaintiffs' Motion For</p> <p>11 Class Certification.</p> <p>12 Q. Do you see that?</p> <p>13 (Witness reviews document.)</p> <p>14 A. I do, yes.</p> <p>15 Q. Now, is this a declaration that</p> <p>16 you executed on behalf of Northern</p> <p>17 Nevada?</p> <p>18 A. I did, yes.</p> <p>19 Q. Who drafted the document?</p> <p>20 A. It was presented to me by</p> <p>21 Mr. Jenkins, Trust Fund's legal counsel.</p> <p>22 Q. And did you make any comments</p> <p>23 on the document?</p> <p>24 A. I don't recall.</p> <p>25 Q. Do you know whether it's</p>

<p style="text-align: right;">Page 74</p> <p>1 JAMES MACE</p> <p>2 essentially identical to the declarations</p> <p>3 submitted by the other named Plaintiffs?</p> <p>4 A. I do not know. I don't know.</p> <p>5 Q. In paragraph 2, it says that</p> <p>6 you're the Fund manager for the Laborers</p> <p>7 Pension Trust Fund For Northern Nevada.</p> <p>8 Do you see that?</p> <p>9 A. Yes.</p> <p>10 Q. And it notes that you</p> <p>11 participate and oversee decisions</p> <p>12 regarding administration of the Laborers</p> <p>13 Pension Trust Fund.</p> <p>14 Do you see that?</p> <p>15 A. Yes.</p> <p>16 Q. Just to be clear, I think I</p> <p>17 asked about this at the start of the</p> <p>18 deposition, but would that involve</p> <p>19 overseeing litigation or no?</p> <p>20 A. No.</p> <p>21 Q. Okay. In paragraph 6, you</p> <p>22 state that Northern Nevada is "Committed</p> <p>23 to vigorously prosecuting this litigation</p> <p>24 as it has since its appointment."</p> <p>25 Do you see that language?</p>	<p style="text-align: right;">Page 76</p> <p>1 JAMES MACE</p> <p>2 was a settlement proposed that we were</p> <p>3 involved in that discussion where it</p> <p>4 didn't, wasn't agreed to.</p> <p>5 So I guess that settlement was</p> <p>6 rejected. That's all I can recall at</p> <p>7 this time.</p> <p>8 Q. Okay. Are you aware of any</p> <p>9 other critical junctures that have taken</p> <p>10 place in the case?</p> <p>11 A. Not at this time, no.</p> <p>12 Q. How many complaints have been</p> <p>13 filed in this action?</p> <p>14 A. I think there are amended</p> <p>15 complaints. There are several. But I</p> <p>16 don't have a number.</p> <p>17 Q. What did Northern Nevada do to</p> <p>18 oversee the complaints?</p> <p>19 A. Have Mr. Jenkins, legal</p> <p>20 counsel, review those and make</p> <p>21 recommendations and directions he thought</p> <p>22 necessary.</p> <p>23 Q. Are there any motions in the</p> <p>24 case that you're aware of since the case</p> <p>25 began?</p>
<p style="text-align: right;">Page 75</p> <p>1 JAMES MACE</p> <p>2 A. Yes.</p> <p>3 Q. And it goes on in the paragraph</p> <p>4 to say that Northern Nevada is "Committed</p> <p>5 to maximizing the recovery for the Class</p> <p>6 by making necessary appearances, sitting</p> <p>7 for depositions and overseeing critical</p> <p>8 junctures of the litigation as</p> <p>9 appropriate."</p> <p>10 Do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. What critical junctures in the</p> <p>13 case have you overseen to date?</p> <p>14 A. Appearing for the deposition</p> <p>15 would be one.</p> <p>16 Again, we monitor with Trust</p> <p>17 Fund's legal counsel's direction with the</p> <p>18 efforts of Robbins Geller.</p> <p>19 Q. Apart from appearing for</p> <p>20 today's deposition, are you aware of any</p> <p>21 other specific critical juncture in the</p> <p>22 case that Northern Nevada has overseen?</p> <p>23 MR. KARAM: Objection. Vague.</p> <p>24 Go ahead and answer.</p> <p>25 A. There was a settlement, there</p>	<p style="text-align: right;">Page 77</p> <p>1 JAMES MACE</p> <p>2 A. Probably. But I could not give</p> <p>3 you a specific.</p> <p>4 Q. And I am asking you -- just to</p> <p>5 be clear, I am asking you as a</p> <p>6 representative of Northern Nevada, can</p> <p>7 you tell us today that you're aware of</p> <p>8 any motion that has been filed in the</p> <p>9 case since commencement?</p> <p>10 A. There were motions. I believe</p> <p>11 some of the -- again, they are legal</p> <p>12 questions, and some of the Defendants</p> <p>13 have been removed from the case. They</p> <p>14 are not -- so there are some motions in</p> <p>15 that regard, if that's what you're</p> <p>16 asking.</p> <p>17 Q. Are you able to describe any</p> <p>18 motion beyond the description that you</p> <p>19 just gave me?</p> <p>20 A. No.</p> <p>21 Q. Are you aware of any decisions</p> <p>22 having been issued by the Court in the</p> <p>23 case?</p> <p>24 A. I thought there was a</p> <p>25 bankruptcy decision or a motion where the</p>

20 (Pages 74 - 77)

<p style="text-align: right;">Page 78</p> <p>1 JAMES MACE</p> <p>2 assets were protected. And there was</p> <p>3 some -- there was a Court decision as</p> <p>4 related to that, I believe.</p> <p>5 Q. Could you describe any other --</p> <p>6 does Northern Nevada have knowledge of</p> <p>7 any other decision that's been issued in</p> <p>8 the case?</p> <p>9 A. Not that I'm aware.</p> <p>10 Q. Do you know whether there are</p> <p>11 any motions pending right now?</p> <p>12 A. Do not.</p> <p>13 Q. Has Northern Nevada -- withdraw</p> <p>14 that.</p> <p>15 You spoke about having some</p> <p>16 awareness of a settlement proposal that</p> <p>17 was made, at some point in time?</p> <p>18 A. Yes.</p> <p>19 Q. And approximately when was</p> <p>20 that?</p> <p>21 A. I don't know.</p> <p>22 Q. Do you know whether it was this</p> <p>23 year, or last year or the year before?</p> <p>24 A. I thought it was years. I</p> <p>25 thought it was years.</p>	<p style="text-align: right;">Page 80</p> <p>1 JAMES MACE</p> <p>2 owes a fiduciary duty to all members of</p> <p>3 the proposed class to provide fair and</p> <p>4 adequate representation by, among other</p> <p>5 things, directing the efforts of Robbins</p> <p>6 Geller."</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. What is your understanding of</p> <p>10 Northern Nevada's fiduciary duties as a</p> <p>11 Class representative?</p> <p>12 A. We're going to follow legal</p> <p>13 counsels' recommendations in terms of the</p> <p>14 direction of the litigation.</p> <p>15 Q. Do you have any responsibility</p> <p>16 as a fiduciary to oversee what legal</p> <p>17 counsel is doing?</p> <p>18 A. Yes. And they will do that.</p> <p>19 But I think if legal counsels'</p> <p>20 recommendations are prudent, we are going</p> <p>21 to follow legal counsels'</p> <p>22 recommendations.</p> <p>23 Q. Are you aware of any other</p> <p>24 obligations that you may have as a</p> <p>25 fiduciary, that Northern Nevada might</p>
<p style="text-align: right;">Page 79</p> <p>1 JAMES MACE</p> <p>2 Q. Are you aware of any other</p> <p>3 settlement-related efforts in the case?</p> <p>4 A. No.</p> <p>5 Q. Did Northern Nevada provide any</p> <p>6 instructions to its counsel with respect</p> <p>7 to the settlement proposal, as you</p> <p>8 recall, being discussed years ago?</p> <p>9 A. Legal counsel would have</p> <p>10 presented the settlement to, to the</p> <p>11 trustees. And that's what they would</p> <p>12 have acted on.</p> <p>13 Q. When you say "they would have</p> <p>14 acted on" --</p> <p>15 A. I believe they did. I believe</p> <p>16 they did. I believe the settlement offer</p> <p>17 was rejected.</p> <p>18 Q. Okay. And what's your basis</p> <p>19 for making that statement?</p> <p>20 A. Just my recollection in</p> <p>21 conversations with legal counsel and...</p> <p>22 Q. Okay. In paragraph 6 of your</p> <p>23 declaration, the last sentence which</p> <p>24 appears on page 2, you say "The Laborers</p> <p>25 Pension Trust Fund understands that it</p>	<p style="text-align: right;">Page 81</p> <p>1 JAMES MACE</p> <p>2 have as a fiduciary with respect to the</p> <p>3 litigation?</p> <p>4 A. We will rely on our legal</p> <p>5 counsel to provide us with that direction</p> <p>6 and that guidance.</p> <p>7 Q. And as a fiduciary, is it your</p> <p>8 testimony that Northern Nevada would rely</p> <p>9 on Robbins Geller to decide what to do in</p> <p>10 the litigation?</p> <p>11 A. Primarily to rely on the Trust</p> <p>12 Fund counsel who will direct, supervise</p> <p>13 the relationship with Robbins Geller. So</p> <p>14 dealing with attorneys and attorneys.</p> <p>15 Q. The Trust Fund counsel is</p> <p>16 Mr. Jenkins?</p> <p>17 A. Yes.</p> <p>18 Q. And Mr. Jenkins is, as we</p> <p>19 established, someone who has worked with</p> <p>20 Robbins Geller as a Plaintiffs' attorney</p> <p>21 in securities litigation in the past?</p> <p>22 MR. KARAM: Objection.</p> <p>23 Mischaracterizes prior testimony. But</p> <p>24 go ahead.</p> <p>25 Q. You can answer.</p>

<p style="text-align: right;">Page 82</p> <p>1 JAMES MACE</p> <p>2 A. Yes.</p> <p>3 Q. At the end of that last</p> <p>4 sentence we were reading, it talks about</p> <p>5 directing the efforts of Robbins Geller.</p> <p>6 Do you see that?</p> <p>7 A. Yes.</p> <p>8 Q. What has Northern Nevada done</p> <p>9 to date to direct the efforts of Robbins</p> <p>10 Geller in this litigation?</p> <p>11 A. Mr. Jenkins would have given</p> <p>12 any direction that would have been</p> <p>13 required.</p> <p>14 Q. Okay. Can you, as you sit here</p> <p>15 now, as a representative of Northern</p> <p>16 Nevada, tell me any step that has been</p> <p>17 taken by Northern Nevada to direct the</p> <p>18 efforts of Robbins Geller in this</p> <p>19 litigation?</p> <p>20 A. No.</p> <p>21 Q. In paragraph 7, it says that</p> <p>22 "On behalf of Laborers Pension Trust</p> <p>23 Fund," which we are calling Northern</p> <p>24 Nevada today, "I have reviewed and</p> <p>25 monitored the progress of this litigation</p>	<p style="text-align: right;">Page 84</p> <p>1 JAMES MACE</p> <p>2 nature of the loss that we had. The</p> <p>3 bankruptcy. At least one of the</p> <p>4 Defendants being removed. The settlement</p> <p>5 offers.</p> <p>6 Q. Anything else?</p> <p>7 A. No.</p> <p>8 Q. It also states in paragraph 7</p> <p>9 that you have received and reviewed</p> <p>10 significant pleadings.</p> <p>11 Do you see that?</p> <p>12 A. Yes.</p> <p>13 Q. Would you please identify for</p> <p>14 the record the significant pleadings</p> <p>15 received and reviewed by you?</p> <p>16 A. Don't know specifically, at</p> <p>17 this point, what those would have been.</p> <p>18 Q. It also states in paragraph 7</p> <p>19 that you received and reviewed Court</p> <p>20 orders.</p> <p>21 Would you please identify for</p> <p>22 the record what Court orders you received</p> <p>23 and reviewed?</p> <p>24 A. Can't recall at this time.</p> <p>25 Q. It also notes in paragraph 7</p>
<p style="text-align: right;">Page 83</p> <p>1 JAMES MACE</p> <p>2 and the active participation of Robbins</p> <p>3 Geller in its prosecution."</p> <p>4 Do you see that?</p> <p>5 A. Yes.</p> <p>6 Q. It goes on to say that you</p> <p>7 received and reviewed periodic updates</p> <p>8 and correspondence from counsel regarding</p> <p>9 important aspects of the case.</p> <p>10 Do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. Can you describe for the record</p> <p>13 what the important aspects of the case</p> <p>14 that you received updates about have</p> <p>15 been?</p> <p>16 A. They provide us with quarterly</p> <p>17 reports on the activity. Robbins Geller</p> <p>18 provides us with quarterly reports on the</p> <p>19 activity. Mr. Jenkins reviews those</p> <p>20 reports.</p> <p>21 Q. Okay. For the record, can you</p> <p>22 explain any important aspect of this case</p> <p>23 that you were briefed on by Robbins</p> <p>24 Geller and Mr. Jenkins?</p> <p>25 A. The nature of the loss. The</p>	<p style="text-align: right;">Page 85</p> <p>1 JAMES MACE</p> <p>2 that you received updates and</p> <p>3 correspondence from counsel regarding the</p> <p>4 progress of discovery.</p> <p>5 Do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. What do you understand to be</p> <p>8 the status of discovery in this action?</p> <p>9 A. It's ongoing.</p> <p>10 Q. What has taken place in</p> <p>11 discovery to date?</p> <p>12 A. Today's deposition for one.</p> <p>13 The nature -- that it's ongoing.</p> <p>14 Discovery is still ongoing.</p> <p>15 Q. Apart from today's deposition,</p> <p>16 are you aware of anything else that has</p> <p>17 actually happened in discovery in this</p> <p>18 case?</p> <p>19 A. I believe there has been</p> <p>20 scheduling, there has been a schedule for</p> <p>21 you to take the deposition of other</p> <p>22 Plaintiffs.</p> <p>23 And that's all I can recall.</p> <p>24 Q. It also states in paragraph 7</p> <p>25 that you have participated in discussions</p>

22 (Pages 82 - 85)

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1 JAMES MACE

2 with counsel regarding significant

3 developments in the case as a

4 representative of Northern Nevada.

5 Can you tell me what

6 significant developments you have

7 discussed with your counsel?

8 A. The bankruptcy, the nature of

9 the loss. Two things.

10 Q. Do you know whether documents

11 have been produced in this litigation?

12 A. Some documents, I think yes.

13 Q. What parties have produced

14 documents in this litigation?

15 A. The Northern Nevada Laborers

16 Pension Trust Fund have produced

17 documents.

18 Q. Do you know if the other

19 parties have produced documents?

20 A. I don't know.

21 Q. Who are the Defendants in this

22 lawsuit?

23 A. SandRidge Energy, some

24 individuals.

25 Q. Do you know who the individuals

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1 JAMES MACE

2 are?

3 A. I don't. Never met them.

4 Q. Do you have any idea what role

5 they played at SandRidge?

6 A. I believe they were executives,

7 at the time.

8 Q. Do you know if they are current

9 or former executives?

10 A. I believe they are former

11 executives.

12 Q. How did you -- how did Northern

13 Nevada decide to file suit against these

14 individuals?

15 A. Follow the recommendation of

16 legal counsel.

17 Q. Did Northern Nevada play any

18 role in that process or was it outsourced

19 entirely to legal counsel?

20 A. Legal counsel would have

21 provided recommendations.

22 Q. The operative complaint in this

23 case alleges that the Defendants made

24 various misrepresentations or omissions

25 relating to SandRidge; is that fair?

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1 JAMES MACE

2 A. Yes.

3 Q. Can you explain to me the

4 nature of the alleged misrepresentation

5 or omissions, in your own words?

6 A. The reserves, I believe, that

7 they made representations as it related

8 to the reserve levels, and then the

9 allocation of gas and oil. And those

10 were the primary.

11 Q. Are you aware of any other

12 categories of misrepresentations or

13 omissions that the Plaintiffs have

14 alleged at any point in this litigation

15 were made by the Defendants?

16 A. That's the substance of what I

17 am aware of.

18 Q. So the only misrepresentations

19 or omissions that were allegedly made, as

20 far as Northern Nevada knows, are related

21 to reserve levels and gas and oil levels?

22 A. Right. That's all I was aware

23 of.

24 Q. Do you know who Tom Ward is?

25 A. I recognize the name. I

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1 JAMES MACE

2 believe he was a Defendant in this. I

3 believe he was an executive with

4 SandRidge. I believe he is one of the

5 ones who have been removed or no longer

6 part of the litigation, I believe.

7 Q. Did Mr. Ward -- was Mr. Ward

8 responsible for any misrepresentations or

9 omissions?

10 A. I don't know.

11 Q. Do you know who Matthew Grubb

12 is?

13 A. I do not.

14 Q. Who is James Bennett?

15 A. Don't know.

16 Q. Do you know if Mr. Grubb or

17 Mr. Bennett is responsible for any

18 alleged misrepresentation or omission?

19 A. Only what, only through legal

20 counsel on what the complaint would have

21 listed.

22 Q. Does Northern Nevada make any

23 claims against James Bennett?

24 MR. KARAM: Objection. Calls

25 for a legal conclusion, but go ahead.

<p style="text-align: right;">Page 90</p> <p>1 JAMES MACE</p> <p>2 Q. You can answer.</p> <p>3 A. I don't know.</p> <p>4 Q. Does Northern Nevada make any</p> <p>5 claims against Matthew Grubb?</p> <p>6 MR. KARAM: Same objection. Go</p> <p>7 ahead.</p> <p>8 A. I would have to ask legal</p> <p>9 counsel.</p> <p>10 Q. Does Northern Nevada make any</p> <p>11 claims against Tom Ward?</p> <p>12 MR. KARAM: Objection. Calls</p> <p>13 for a legal conclusion. Go ahead.</p> <p>14 Q. You can answer these questions.</p> <p>15 A. Would have to ask legal</p> <p>16 counsel.</p> <p>17 Q. Does Northern Nevada contend</p> <p>18 that the price of SandRidge stock was</p> <p>19 inflated?</p> <p>20 A. I believe so, yes.</p> <p>21 Q. When was it inflated?</p> <p>22 A. I think 2011.</p> <p>23 Q. Was it --</p> <p>24 A. February.</p> <p>25 Q. Was the price of SandRidge</p>	<p style="text-align: right;">Page 92</p> <p>1 JAMES MACE</p> <p>2 A. February 2011 to November 2012.</p> <p>3 Q. And why does the Class period</p> <p>4 begin in February of 2011?</p> <p>5 A. I believe SandRidge issued some</p> <p>6 information to the public to, that was</p> <p>7 acted on. It was inaccurate on the</p> <p>8 reserve levels and the oil and the gas</p> <p>9 percentage.</p> <p>10 Q. What was the nature of the</p> <p>11 information that was released that</p> <p>12 commenced the Class period, if you will?</p> <p>13 A. I think again, the allocation</p> <p>14 of the gas and oil in the reserve was and</p> <p>15 the reserve areas.</p> <p>16 Q. Was there a particular</p> <p>17 statement that caused SandRidge's stock</p> <p>18 to become inflated?</p> <p>19 A. I don't have a specific</p> <p>20 statement, no.</p> <p>21 Q. Do you know when inflation</p> <p>22 first entered SandRidge's stock price,</p> <p>23 according to Northern Nevada?</p> <p>24 A. Again, February of 2011.</p> <p>25 Q. Is there a point in time when</p>
<p style="text-align: right;">Page 91</p> <p>1 JAMES MACE</p> <p>2 stock inflated in 2012?</p> <p>3 A. At the end it -- the</p> <p>4 disclosures came out. So I think that</p> <p>5 was the Class period that we're talking</p> <p>6 about.</p> <p>7 Q. So what is your understanding</p> <p>8 of the Class period?</p> <p>9 A. The period where the</p> <p>10 misrepresentations of SandRidge were</p> <p>11 active in the market until they were</p> <p>12 clarified or corrected, in which case,</p> <p>13 the market could adjust given the correct</p> <p>14 information.</p> <p>15 Q. Do you know when in terms of</p> <p>16 time the Class period was? I mean, do</p> <p>17 you know what the dates are of the Class</p> <p>18 period?</p> <p>19 A. I think December of 2012. Or</p> <p>20 November, I am sorry. November 2000 --</p> <p>21 Q. The Class period begins on a</p> <p>22 date and ends on a date, right?</p> <p>23 A. Right.</p> <p>24 Q. So can you give me the</p> <p>25 beginning date and end date?</p>	<p style="text-align: right;">Page 93</p> <p>1 JAMES MACE</p> <p>2 Northern Nevada contends that the truth</p> <p>3 came out, if you will, and the inflation</p> <p>4 left the stock?</p> <p>5 A. That would have been at the end</p> <p>6 of 2012, November. November 2012.</p> <p>7 Q. Is that the only occasion when</p> <p>8 the truth came out and the inflation left</p> <p>9 the stock?</p> <p>10 A. That was one of them, I think.</p> <p>11 Q. Is there another?</p> <p>12 A. I believe there is a second</p> <p>13 one.</p> <p>14 Q. And when was that second</p> <p>15 occasion?</p> <p>16 A. I don't know.</p> <p>17 Q. And what caused the truth to</p> <p>18 come out, if you will, as Plaintiffs</p> <p>19 would characterize it?</p> <p>20 A. I don't know.</p> <p>21 Q. Were there particular</p> <p>22 disclosures that were made to the market</p> <p>23 that Plaintiffs contend caused the truth</p> <p>24 to come out?</p> <p>25 A. Probably.</p>

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1 JAMES MACE

2 Q. Probably, but you're not sure?

3 A. I'm not sure.

4 Q. Approximately, what is the

5 total value of Northern Nevada's

6 investments?

7 A. I think 120, 120 million

8 dollars.

9 Q. And what was its total

10 investment in SandRidge, approximately?

11 A. The loss was 100,000. We

12 currently still have some of that stock.

13 I don't know specifically what that would

14 be.

15 Q. So the loss was less than a

16 10th of a percent of Northern Nevada's

17 assets?

18 A. Yes.

19 Q. We talked a little bit at the

20 start of the deposition at how Northern

21 Nevada makes its investment decisions.

22 And you told me that the trustees

23 delegate the function, I believe, to

24 Sierra. And then Sierra uses some

25 sub-advisors?

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1 JAMES MACE

2 A. Correct.

3 Q. I would like to go through that

4 in a little bit more detail.

5 But let me just start with, are

6 there any internal employees apart from

7 the trustees that have involvement in

8 investment decisions?

9 A. No internal employees.

10 Q. Okay. Does Sierra and its

11 sub-advisors manage the entirety of

12 Northern Nevada's portfolio?

13 A. No.

14 Q. Who else plays a role in

15 managing the portfolio?

16 A. Ullico has some investments.

17 Q. What is Ullico?

18 A. Ullico is an insurance

19 investment company. The Union Labor Life

20 Insurance Company.

21 Q. Are there any other investment

22 managers that are used by Northern

23 Nevada?

24 A. U.S. Bank.

25 Q. As custodian?

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1 JAMES MACE

2 A. Custodian, and they also manage

3 some cash reserves.

4 Q. Okay. Are there any other

5 active managers that are used by Northern

6 Nevada?

7 A. No.

8 [The Trust Fund Statement of

9 Investment Policy, dated November 15,

10 2005, Bates stamped NNEV0000539, was

11 hereby marked as Mace Exhibit 14 for

12 identification, as of this date.]

13 Q. Do you have Exhibit 14 in front

14 of you, sir?

15 A. Yes.

16 Q. Do you recognize Exhibit 14?

17 (Witness reviews document.)

18 A. Yes.

19 Q. Would you identify it for the

20 record, please?

21 A. It's the Trust Fund statement

22 of investment policy.

23 Q. And this particular statement

24 of investment policy is dated November

25 15th, 2005; is that correct?

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1 JAMES MACE

2 A. Yes.

3 Q. Okay. Was this statement of

4 investment policy still in effect when

5 Northern Nevada made its investment in

6 SandRidge?

7 A. I believe so, yes.

8 Q. What led to the adoption of

9 this statement of investment policy?

10 A. The trustees need to give some

11 direction to the investment managers.

12 Q. Was there anything else that

13 led to the adoption of this statement of

14 investment policy?

15 A. No.

16 Q. On page 2, the investment

17 policy memo states Target Asset

18 Allocations for the Fund.

19 Do you see that?

20 A. Yes.

21 Q. And the second one is U.S.

22 large cap value equities?

23 A. Yes.

24 Q. What is your understanding of

25 what a value equity is?

25 (Pages 94 - 97)

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1 JAMES MACE

2 A. In layman's terms it's -- there

3 is more intrinsic value in the stock

4 versus the potential for growth. They

5 are usually large companies.

6 Q. Okay. Would it be fair to say

7 that a value equity or that value

8 investing is a strategy that involves

9 selecting stocks that are, in the

10 manager's view, undervalued by the

11 market?

12 A. Yes.

13 Q. So Northern Nevada's investment

14 policy called for at least 20 percent of

15 its portfolio to be allocated to funds

16 that pursue a value in investing

17 strategy; is that right?

18 A. Yes.

19 Q. How did Northern Nevada come to

20 invest in SandRidge?

21 A. Riazzi, who was a sub-advisor

22 to Sierra, Riazzi decided and made the

23 buy decision.

24 Q. So let's take a step back then

25 just for the clarity of the record.

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1 JAMES MACE

2 A. Okay.

3 Q. In the interrogatory responses

4 we looked at earlier today, Northern

5 Nevada identified three investment

6 advisors as having provided advice at

7 some point in time in connection with its

8 investment in SandRidge: Sierra

9 Investment Partners, Riazzi Asset

10 Management, and Baird Equity Asset

11 Management; is that right?

12 A. I don't know who Baird is.

13 Q. Okay. Why don't we take a look

14 then at your interrogatory responses,

15 which I think are Exhibit number 2.

16 Do you have that in front of

17 you?

18 A. I have Exhibit number 2.

19 Q. Do you see that on page 16, it

20 identifies a number of investment

21 advisors of Construction Laborers Pension

22 Trust of Greater St. Louis and the

23 Laborers Pension Trust Fund for Northern

24 Nevada?

25 A. Yes.

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1 JAMES MACE

2 Q. And one of the advisors that is

3 identified here is Baird Equity Asset

4 Management. And its identified as

5 additional investment manager for Lead

6 Plaintiff Laborers Pension Trust Fund for

7 Northern Nevada.

8 Do you see that?

9 A. I do.

10 Q. Does that refresh your

11 recollection of what Baird Equity

12 Management is or does?

13 A. It's a typo. I think it's a

14 typo.

15 Q. As you sit here today, your

16 belief is that Baird Equity Asset

17 Management did not, in fact, provide any

18 services to Northern Nevada?

19 A. Correct, yes.

20 Q. Okay. We'll take you through

21 this. But maybe we can start with Sierra

22 Asset Management, which we've talked

23 about a little bit today.

24 MR. KARAM: Counsel, at a point

25 where you feel it's appropriate, can

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1 JAMES MACE

2 we take another break.

3 MR. GIMBEL: Sure. But I want

4 to get through a series of questions.

5 MR. KARAM: Do what you need to

6 do.

7 Q. Can you describe for the record

8 what Sierra Asset Management is?

9 A. Sierra Investment Partners?

10 Q. Perhaps it's Sierra Investment

11 Partners. My apologies, if I got it

12 wrong.

13 A. They are investment managers

14 who have been delegated investment

15 authority to the trustees, and then they,

16 in turn, hire sub-advisors with the

17 expertise to invest in various asset

18 investment classifications.

19 Q. Okay. Fair enough.

20 MR. GIMBEL: So let's mark as

21 Exhibit, a document titled Sierra

22 Investment Partners, Inc., Investment

23 Management Agreement Small Cap Equity.

24 And let me know when you have that if

25 front of you.

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1 JAMES MACE

2 [The document titled Sierra

3 Investment Partners, Inc., Investment

4 Management Agreement Small Cap

5 Equity, was hereby marked as Mace

6 Exhibit 15 for identification, as of

7 this date.]

8 A. I have it in front of me.

9 Q. Do you recognize the document?

10 (Witness reviews document.)

11 A. Yes.

12 Q. Can you identify it for the

13 record, please?

14 A. It's the agreement between

15 Sierra and the Trust Fund as it relates

16 to the small cap equity portion of the

17 portfolio.

18 Q. Was this agreement in effect at

19 the time of Northern Nevada's investment

20 in SandRidge?

21 A. I believe it was.

22 Q. In paragraph 2, it states that

23 "Subject to the terms and conditions of

24 this agreement, the attached Consent

25 Orders, and Statement of Investment

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1 JAMES MACE

2 Policy, Sierra and its sub-advisor, The

3 Glenmede Trust Company, shall have full

4 and complete discretion and authority

5 with respect to Management of the assets

6 allocated to it, including, without

7 limitation, authority to purchase, sell,

8 exchange, convert, trade and generally to

9 deal in securities and other property in

10 the Account at the risk of, and in the

11 name of the Client."

12 Do you see that?

13 A. Yes.

14 Q. My first question is: What are

15 the Consent Orders that are referred to

16 here?

17 A. In the past, the Laborers

18 Pension were subject to consent orders as

19 it related to investments.

20 Q. The document refers to the

21 consent orders being attached.

22 Do you know why the consent

23 orders were not produced together with

24 this document?

25 A. I don't know.

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1 JAMES MACE

2 Q. So I am going to put in front

3 of you documents 16, 17 and 18.

4 [The document titled Consent

5 Order With Defendant Trustees, was

6 hereby marked as Mace Exhibit 16 for

7 identification, as of this date.]

8 [The document titled Consent

9 Order With Laborers Plans, was hereby

10 marked as Mace Exhibit 17 for

11 identification, as of this date.]

12 [The complaint filed that led to

13 the consent orders, was hereby marked

14 as Mace Exhibit 18 for

15 identification, as of this date.]

16 Q. Let me know when you have those

17 documents in front of you.

18 A. I have them.

19 Q. In document 16, if I am getting

20 the number right, is a document entitled

21 Consent Order With the Defendant

22 Trustees.

23 Do you see that?

24 (Witness reviews document.)

25 A. Yes.

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1 JAMES MACE

2 Q. Is that one of the consent

3 orders that is referred to in the

4 investment management agreement of Sierra

5 partners?

6 A. Yes.

7 Q. And that is a consent order

8 under which the trustees agreed to pay

9 over 1.7 million dollars to settle claims

10 that had been made that they breached

11 their fiduciary obligations under ERISA;

12 is that right?

13 A. Yes.

14 Q. Exhibit 17 is a Consent Order

15 With Laborers Plans.

16 Do you have that in front of

17 you?

18 (Witness reviews document.)

19 A. Yes.

20 Q. And is that also one of the

21 consent orders that's referred to in the

22 investment management agreement?

23 A. Yes.

24 Q. And what's the nature of this

25 consent order?

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1 JAMES MACE

2 A. This is the, what I would call

3 the administrative procedures that the

4 trustees agreed to follow.

5 Q. Okay. Exhibit 18 is the

6 complaint that was filed that led to the

7 consent orders that we've been

8 discussing; is that right?

9 (Witness reviews document.)

10 A. Yes.

11 Q. Are the consent orders still in

12 place?

13 A. No, they're not.

14 Q. When were they vacated?

15 A. I believe two years ago.

16 Q. So they were in place for over

17 a decade; is that right?

18 A. Yes.

19 Q. Why were they in place so long?

20 MR. KARAM: Objection.

21 Argumentative. Go ahead.

22 A. The process to remove them was

23 to go to the Department of Labor, and to

24 say we no longer need these orders to be

25 in effect. And so we would ask the

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2 Department of Labor to remove them and

3 they did.

4 Q. When did you make that

5 application?

6 A. Again, years ago, in that --

7 years ago.

8 Q. Approximately two years ago?

9 A. Yes.

10 Q. If you could turn back to the

11 Sierra Investment Partners investment

12 management agreement, which is Exhibit

13 15.

14 A. Yes.

15 Q. Do you have that in front of

16 you?

17 A. Yes.

18 Q. We were talking about paragraph

19 2 and its preference to the consent

20 orders.

21 It also refers to the statement

22 of investment policy.

23 Do you see that?

24 A. Yes.

25 Q. Is that the document that we

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2 marked as Exhibit 14?

3 A. Yes.

4 Q. In paragraph 2, it goes on to

5 say that Sierra has full discretion and

6 authority with respect to the management

7 of the assets allocated to it.

8 Do you see that?

9 A. Yes.

10 Q. Okay. And did Sierra have full

11 discretion and authority with respect to

12 Northern Nevada's investment in

13 SandRidge?

14 A. Through Riazzi.

15 Q. Okay. Well, Riazzi was a

16 sub-advisor to Sierra?

17 A. Right.

18 Q. And Riazzi is Riazzi Asset

19 Management, correct?

20 A. Right.

21 Q. Riazzi Asset Management was a

22 sub-advisor that was chosen by Sierra to

23 manage a portion of Northern Nevada's

24 assets?

25 A. Yes.

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2 MR. GIMBEL: Why don't we mark

3 as Exhibit 19 a letter -- Exhibit 19

4 is a letter, dated October 7th, 2008,

5 from Sierra Investment Partners,

6 Inc.

7 [The letter from Sierra

8 Investment Partners, Inc., dated

9 October 7th, 2008, Bates stamped

10 NNEV0000648, was hereby marked as

11 Mace Exhibit 19 for identification,

12 as of this date.]

13 Q. Do you have that document in

14 front of you?

15 A. Yes.

16 Q. Do you recognize it?

17 (Witness reviews document.)

18 A. Yes.

19 Q. Would you describe it for the

20 record, please?

21 A. Sierra made a change in

22 sub-advisors. Transamerica Investment

23 Management became or ended up being

24 Riazzi.

25 Q. Okay. So, in substance, the

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1 JAMES MACE

2 Do you see that?

3 A. Yes.

4 Q. And this refers to the Fund or

5 product that Riazzi was using when it

6 managed Northern Nevada's assets.

7 Would that be fair to say?

8 A. Yes.

9 Q. Please turn to page 6.

10 Do you see that there is a

11 paragraph titled Investment Objective?

12 A. Yes.

13 Q. Okay. And it states in that

14 paragraph that "The goal of the Small Cap

15 Value Fund or product is to provide

16 superior risk adjusted returns and

17 outperform the Russell 2000 Value Index."

18 Do you see that?

19 A. Yes.

20 Q. And it goes on to state that

21 "Riazzi aims to accomplish this by

22 creating portfolios of companies that we

23 expect to exceed Street expectations."

24 Do you see that?

25 A. Yes.

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2 Q. And it goes on to state that it

3 looks to identify stocks that traded at

4 discounts to its proprietary calculations

5 and fair value.

6 Do you see that?

7 A. Yes.

8 Q. Is that consistent with your

9 understanding of the investment

10 philosophy that Riazzi employed in making

11 investment decisions for SandRidge?

12 A. I don't know.

13 Q. Do you have any reason to

14 dispute that that was the philosophy it

15 employed?

16 A. No.

17 Q. It was a value fund, as you

18 understood it, correct?

19 A. Right.

20 Q. And value funds seek to

21 identify stocks that are trading at

22 discounts to fair value.

23 Is that fair to say?

24 A. I don't know.

25 Q. Okay. On page 8 of the

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2 document it states that one of the

3 strategies followed in Riazzi's

4 investment process is to identify stocks

5 that are mispriced relative to intrinsic

6 value.

7 Is that a fair summary of

8 Riazzi's investment philosophy?

9 A. Yes, yes.

10 Q. And so Northern Nevada

11 understood that its funds were being

12 invested using that general philosophy?

13 MR. KARAM: Objection.

14 Q. You can answer.

15 A. Northern Nevada would follow --

16 yes.

17 Q. Okay. All right.

18 So I would like to move on to

19 talk a little bit about the individual

20 transactions in the SandRidge stock, just

21 so we have some clarity in the record as

22 to when those occurred.

23 I am going to ask the court

24 reporter to mark three Exhibits, 22, 23

25 and 24, which are U.S. Bank statements

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2 and we can have you identify them.

3 [The U.S. Bank statement for

4 Northern Nevada's account for the

5 period of February 1, 2011 to

6 February 28, 2011, Bates stamped

7 NNEV0000022 through 42, was hereby

8 marked as Mace Exhibit 22 for

9 identification, as of this date.]

10 [The U.S. Bank statement for

11 Northern Nevada's account for the

12 period from March 1st, 2011 to March

13 31st, 2011, Bates stamped NNEV0000044

14 through 60, was hereby marked as Mace

15 Exhibit 23 for identification, as of

16 this date.]

17 [The U.S. Bank statement for

18 Northern Nevada's account for the

19 period August 1, 2011 to August 31,

20 2011, Bates stamped NNEV0000138

21 through 153, was hereby marked as Mace

22 Exhibit 24 for identification, as of

23 this date.]

24 (Witness reviews documents.)

25 Q. Let me know when you have those

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1 JAMES MACE
 2 three Exhibits ready to go?
 3 A. I have them.
 4 Q. So Exhibit 22 is a U.S. Bank
 5 statement for an account of Northern
 6 Nevada's for the period of February 1,
 7 2011 to February 28, 2011. And it is
 8 Bates stamped NNEV 22 to NNEV 42.
 9 Do you have that in front of
 10 you?
 11 A. Yes.
 12 Q. Is this an account statement
 13 for an account managed by Riazzi?
 14 A. Yes.
 15 Q. If you look at page 19 of the
 16 statement, it shows a purchase of
 17 SandRidge stock.
 18 Let me know when you have that
 19 in front of you.
 20 A. Not the Bates stamp, this is
 21 the U.S. Bank statement?
 22 Q. U.S. Bank page number.
 23 A. Yes, I have it.
 24 Q. And it reflects the purchase of
 25 11,960 shares of SandRidge Energy on

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1 JAMES MACE
 2 February 28th, 2011.
 3 Do you see that?
 4 A. Yes.
 5 Q. Was that the first investment
 6 by Northern Nevada in SandRidge
 7 securities?
 8 A. I believe so.
 9 Q. Okay. Second statement is
 10 marked Exhibit 23.
 11 You have that in front of you?
 12 A. Yes.
 13 Q. That's another account
 14 statement for the same Northern Nevada
 15 account held at U.S. Bank for the period
 16 from March 1st, 2011 to March 31st, 2011,
 17 correct?
 18 A. Yes.
 19 Q. And it is Bates stamped, for
 20 the record, NNEV 44 to 60, correct?
 21 A. Yes.
 22 Q. Okay. If you turn to page 14
 23 of this statement, it shows another
 24 purchase of SandRidge common stock on
 25 March 3rd, 2011. Specifically, the

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1 JAMES MACE
 2 purchase of 4,324 shares of SandRidge
 3 Energy on March 3rd.
 4 Do you see that?
 5 A. Yes.
 6 Q. And was that the second
 7 investment by Northern Nevada in
 8 SandRidge securities?
 9 A. I believe so.
 10 Q. The third statement is marked
 11 Exhibit 24, and it is a statement for the
 12 same account managed by Riazzi for
 13 Northern Nevada for the period August 1,
 14 2011 to August 31, 2011; is that correct?
 15 A. Yes.
 16 Q. And for the record it's Bates
 17 stamped NNEV 138 to 148 -- I'm sorry, to
 18 153; is that correct?
 19 A. Yes.
 20 Q. If you look at Page 14 of this
 21 statement, NNEV 151, it shows the
 22 purchase of 4,241 shares of SandRidge
 23 Energy on August 4th, 2011.
 24 Do you see that?
 25 A. Yes.

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1 JAMES MACE
 2 Q. Was that the third and final
 3 purchase of SandRidge securities by
 4 Northern Nevada?
 5 A. I believe so.
 6 Q. Are you aware of any other
 7 transactions in SandRidge securities by
 8 Northern Nevada?
 9 A. No.
 10 Q. Okay. Who is Helen Martin, who
 11 the statements were addressed to?
 12 A. She's an employee of Benefit
 13 Plan Administrators. She's a bookkeeper.
 14 Q. Okay. Did Northern Nevada have
 15 any involvement in the decision to
 16 purchase SandRidge stock on any of the
 17 three occasions reflected in these
 18 statements?
 19 A. No.
 20 Q. Was that decision made
 21 exclusively by the investment advisor
 22 Riazzi?
 23 A. Yes.
 24 Q. When did Northern Nevada first
 25 learn that it had acquired SandRidge

<p style="text-align: right;">Page 126</p> <p>1 JAMES MACE</p> <p>2 this date.]</p> <p>3 Q. Let me know when you have</p> <p>4 Exhibit 25 in front of you, sir.</p> <p>5 A. I have it.</p> <p>6 Q. And do you recognize Exhibit</p> <p>7 25?</p> <p>8 (Witness reviews document.)</p> <p>9 A. I have seen it with legal</p> <p>10 counsel.</p> <p>11 Q. Can you describe it for the</p> <p>12 record, please?</p> <p>13 A. It's the Third Consolidated</p> <p>14 Amended Complaint.</p> <p>15 Q. Is this one of the documents</p> <p>16 that you reviewed in preparation for your</p> <p>17 deposition?</p> <p>18 A. Earlier. Earlier. When we got</p> <p>19 it.</p> <p>20 Q. You reviewed this?</p> <p>21 A. With legal counsel.</p> <p>22 Q. With legal counsel?</p> <p>23 A. Earlier. Not yesterday.</p> <p>24 Q. Do you understand this to be</p> <p>25 the operative complaint in the case?</p>	<p style="text-align: right;">Page 128</p> <p>1 JAMES MACE</p> <p>2 to ascertain the information that these</p> <p>3 individuals allegedly provided was</p> <p>4 reliable?</p> <p>5 A. We would have relied on legal</p> <p>6 counsel.</p> <p>7 Q. Do you know why their names</p> <p>8 were anonymized?</p> <p>9 A. I do not.</p> <p>10 Q. Is Northern Nevada aware of any</p> <p>11 reason why their names couldn't be</p> <p>12 provided?</p> <p>13 MR. KARAM: Objection. Calls</p> <p>14 for a legal conclusion. Go ahead.</p> <p>15 A. You would have to ask legal</p> <p>16 counsel.</p> <p>17 Q. I am asking you, though.</p> <p>18 As a representative of Northern</p> <p>19 Nevada --</p> <p>20 A. I don't --</p> <p>21 Q. -- are you aware of any reason</p> <p>22 why Northern Nevada could not provide the</p> <p>23 names of these individuals to the</p> <p>24 Defendants?</p> <p>25 A. I am not aware of any reason.</p>
<p style="text-align: right;">Page 127</p> <p>1 JAMES MACE</p> <p>2 A. "Operative" meaning current?</p> <p>3 Q. The current complaint in the</p> <p>4 case?</p> <p>5 A. Yes.</p> <p>6 Q. Am I correct that the claims</p> <p>7 made here by Northern Nevada are based,</p> <p>8 in part, on information provided by</p> <p>9 confidential witnesses?</p> <p>10 A. I don't know.</p> <p>11 Q. Well, why don't you turn to</p> <p>12 page 9, if you would, please.</p> <p>13 A. I have it.</p> <p>14 Q. You will see on page 9 -- you</p> <p>15 can take the time to read it, if you</p> <p>16 want -- it refers to information that was</p> <p>17 allegedly communicated to Plaintiffs'</p> <p>18 counsel by three former employees of</p> <p>19 SandRidge who are identified as FE1, FE2</p> <p>20 and FE3. Do you see that?</p> <p>21 A. Yes.</p> <p>22 Q. Do you know the identity of any</p> <p>23 of these employees?</p> <p>24 A. I do not.</p> <p>25 Q. Did Northern Nevada do anything</p>	<p style="text-align: right;">Page 129</p> <p>1 JAMES MACE</p> <p>2 Q. So in paragraph 22, it says</p> <p>3 that FE1 was a senior geologist at</p> <p>4 SandRidge until November 2010.</p> <p>5 Do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. So he apparently left in</p> <p>8 November of 2010 before Northern Nevada</p> <p>9 made its investment, right --</p> <p>10 A. Yes. Correct.</p> <p>11 Q. -- according to the allegation.</p> <p>12 So I am going to focus a couple</p> <p>13 of questions on FE2 and FE3, because it</p> <p>14 appears that FE1 left before Northern</p> <p>15 Nevada made its investment.</p> <p>16 In paragraph 128 of the</p> <p>17 complaint?</p> <p>18 A. I have that.</p> <p>19 Q. Do you have that in front of</p> <p>20 you?</p> <p>21 A. Yes.</p> <p>22 Q. It says According to FE2, since</p> <p>23 at least early 2012, the Mississippian</p> <p>24 was not performing as well as expected.</p> <p>25 Do you see that?</p>

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1 JAMES MACE

2 A. Yes.

3 Q. Early 2012 was after Northern

4 Nevada invested in SandRidge, right?

5 A. Yes.

6 Q. In paragraph 126, which is a

7 little farther up the page, it says that

8 According to FE3, oil production in the

9 Mississippian play was lower than

10 anticipated, and that was causing

11 frustration within SandRidge.

12 Do you see that?

13 A. Yes.

14 Q. And FE3 goes on to say he

15 believed, he or she believed it was

16 common knowledge at SandRidge that the

17 Mississippian was underperforming.

18 Do you see that?

19 A. Yes.

20 Q. But according to the

21 allegations of the complaint, FE3 joined

22 SandRidge in May of 2012.

23 Do you recall that, it's back

24 at paragraph 24?

25 A. Yes.

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1 JAMES MACE

2 Q. So that was also after Northern

3 Nevada purchased its SandRidge stock,

4 correct?

5 A. Yes.

6 Q. Are you aware of any reports

7 that anyone within SandRidge believed

8 that the Mississippian was not performing

9 as well as expected at any time before

10 2012?

11 A. I am not aware of any.

12 Q. Okay. And to be clear, you're

13 testifying as a representative of

14 Northern Nevada today?

15 A. Right.

16 Q. Are you aware of any

17 information establishing that prior to

18 2012, the Mississippian was not

19 performing as well as expected?

20 MR. KARAM: Objection. Calls

21 for a legal conclusion. Go ahead.

22 Q. You can answer.

23 A. I am not aware.

24 Q. And to be clear again, you're

25 testifying as a representative of

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1 JAMES MACE

2 Northern Nevada?

3 A. Correct.

4 Q. I would like you to turn, if

5 you would, to paragraph 20 of the

6 complaint.

7 Do you have that in front of

8 you?

9 A. Yes.

10 Q. In paragraph 20, it states that

11 Plaintiffs' counsel with the assistance

12 of an independent controlling engineering

13 consulting firm analyzed certain

14 production data of SandRidge's wells.

15 Do you see that?

16 A. Yes.

17 Q. Can you identify the petroleum

18 engineering consulting firm that's listed

19 in this paragraph?

20 A. I cannot.

21 Q. Did Northern Nevada play any

22 role in retaining that firm?

23 A. No.

24 Q. Or are you familiar with the

25 analysis that it supposedly conducted?

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1 JAMES MACE

2 A. No.

3 Q. Did Northern Nevada do anything

4 to verify that the firm had appropriate

5 qualifications and experience?

6 A. We would have relied on legal

7 counsel.

8 Q. Turn to paragraph 135, if you

9 would. Paragraph 35 says It had become

10 apparent by March of 2012 that there was

11 a steep drop in oil production rates in

12 SandRidge's older wells in the

13 Mississippian, and rates were declining

14 much faster than the type well produced

15 by SandRidge.

16 Do you see that?

17 A. Yes.

18 Q. March 2012 was also after

19 Northern Nevada made its investment in

20 SandRidge, correct?

21 A. Yes.

22 Q. And then the paragraph goes on

23 to talk about an analysis of information

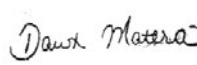
24 provided by SandRidge to the Oklahoma Tax

25 Commission for what was allegedly a

<p style="text-align: right;">Page 166</p> <p>1 JAMES MACE</p> <p>2 Q. Mr. Mace, we've marked as</p> <p>3 Exhibit 26, a U.S. Bank account statement</p> <p>4 for the period from November 1, 2012 to</p> <p>5 November 30th, 2012. And it's Bates</p> <p>6 stamped NNEV 414 to 453.</p> <p>7 Do you have that in front of</p> <p>8 you?</p> <p>9 A. Yes.</p> <p>10 Q. And is that a true and correct</p> <p>11 copy of an account statement for the</p> <p>12 account of Northern Nevada that we've</p> <p>13 been discussing today in which its</p> <p>14 SandRidge investment was made?</p> <p>15 (Witness reviews document.)</p> <p>16 A. Yes.</p> <p>17 Q. And this is an account for the</p> <p>18 period that encompasses the end of the</p> <p>19 Class period, correct?</p> <p>20 A. Yes.</p> <p>21 Q. So we'll move on.</p> <p>22 [The document titled</p> <p>23 Plaintiffs' Motion For Relief From</p> <p>24 Orders Pursuant to</p> <p>25 FED.R.CIV.P.60(b)(6) and Opening</p>	<p style="text-align: right;">Page 168</p> <p>1 JAMES MACE</p> <p>2 this action on behalf of unitholders in</p> <p>3 Trust offerings?</p> <p>4 A. No, I was not.</p> <p>5 Q. Okay.</p> <p>6 A. We were not.</p> <p>7 Q. I am sorry, was Northern Nevada</p> <p>8 aware that --</p> <p>9 A. No.</p> <p>10 Q. Did Northern Nevada ever</p> <p>11 consider whether it was in the best</p> <p>12 interests of common stockholders to allow</p> <p>13 claims to be reasserted in this action on</p> <p>14 behalf of unitholders in Mississippian</p> <p>15 Royalty Trust?</p> <p>16 A. It would be a question for</p> <p>17 legal counsel.</p> <p>18 Q. Okay. As a representative of</p> <p>19 Northern Nevada, you're not aware of</p> <p>20 anyone having considered that issue?</p> <p>21 A. I am not aware.</p> <p>22 Q. Do you have any understanding</p> <p>23 as to the funds that might be available</p> <p>24 to settle this action?</p> <p>25 A. My understanding was that there</p>
<p style="text-align: right;">Page 167</p> <p>1 JAMES MACE</p> <p>2 Brief in Support, was hereby marked</p> <p>3 as Mace Exhibit 27 for</p> <p>4 identification, as of this date.]</p> <p>5 Q. We marked as Exhibit 27</p> <p>6 Plaintiffs' Motion For Relief From Orders</p> <p>7 Pursuant to FED.R.CIV.P.60(b)(6) and</p> <p>8 Opening Brief in Support.</p> <p>9 Have you seen this before?</p> <p>10 (Witness reviews document.)</p> <p>11 A. No.</p> <p>12 Q. Were you aware of this motion</p> <p>13 for relief?</p> <p>14 A. No.</p> <p>15 Q. Do you have any understanding</p> <p>16 of the relief being sought by Plaintiffs?</p> <p>17 A. No.</p> <p>18 Q. I will represent to you, sir,</p> <p>19 that this motion seeks certain relief</p> <p>20 permitting certain dismissed claims to be</p> <p>21 reasserted in the litigation on behalf of</p> <p>22 investors in units of certain royalty</p> <p>23 trusts associated with SandRidge.</p> <p>24 My question for you is: Are</p> <p>25 aware that claims have been asserted in</p>	<p style="text-align: right;">Page 169</p> <p>1 JAMES MACE</p> <p>2 was a reserve set aside outside of the</p> <p>3 bankruptcy.</p> <p>4 Q. And do you know the</p> <p>5 circumstances under which the reserve you</p> <p>6 mentioned was established?</p> <p>7 A. I do not.</p> <p>8 Q. Do you know if there are</p> <p>9 insurance resources available to resolve</p> <p>10 this action?</p> <p>11 A. There may be.</p> <p>12 Q. And if you bring a different</p> <p>13 class of securities holders into the</p> <p>14 case, such as unitholders in the</p> <p>15 Mississippian Royalty Trusts, won't you</p> <p>16 have essentially a competing set of</p> <p>17 claimants for the same pot of money, the</p> <p>18 reserve you're talking about?</p> <p>19 A. I think it's a legal question.</p> <p>20 I don't know.</p> <p>21 Q. Would it be in the interest of</p> <p>22 the Class that you're seeking to</p> <p>23 represent to allow a different Class of</p> <p>24 securities holders to make claims</p> <p>25 essentially against the same pot of</p>

<p style="text-align: right;">Page 170</p> <p>1 JAMES MACE</p> <p>2 money?</p> <p>3 A. Again, it's a legal question in</p> <p>4 terms of the exposure in the case.</p> <p>5 Q. And so you haven't given any</p> <p>6 thought or consideration to that</p> <p>7 question?</p> <p>8 A. That's correct.</p> <p>9 Q. Okay. Do you know whether it</p> <p>10 would be in the interest of Robbins</p> <p>11 Geller to have a different Class of</p> <p>12 security holders come in and assert</p> <p>13 claims?</p> <p>14 A. I don't know.</p> <p>15 Q. Don't know.</p> <p>16 Do you think it might be an</p> <p>17 obligation of a Class representative to</p> <p>18 determine whether motions that are being</p> <p>19 filed by its counsel are really in the</p> <p>20 best interests of the Class?</p> <p>21 A. We would rely on the Trust</p> <p>22 Fund's legal counsel to give us that</p> <p>23 direction.</p> <p>24 Q. But as far as you know,</p> <p>25 Northern Nevada hasn't considered that</p>	<p style="text-align: right;">Page 172</p> <p>1 JAMES MACE</p> <p>2 A. Not seen this, no.</p> <p>3 Q. I will represent to you it's a</p> <p>4 set of responses and objections filed by</p> <p>5 the Lead Plaintiff to document requests</p> <p>6 that were propounded by my clients James</p> <p>7 Bennett and Matthew Grubb.</p> <p>8 And so if you look, starting at</p> <p>9 page 10, you will see all of the various</p> <p>10 document requests are listed, and all the</p> <p>11 various responses that were offered by</p> <p>12 Northern Nevada.</p> <p>13 Do you see that?</p> <p>14 A. Yes.</p> <p>15 Q. Was Northern Nevada aware that</p> <p>16 these requests for production have been</p> <p>17 made?</p> <p>18 A. Through legal counsel. Legal</p> <p>19 counsel would have coordinated any of</p> <p>20 these, any of these pieces of</p> <p>21 information.</p> <p>22 Q. What did Northern Nevada do to</p> <p>23 collect documents in response to this</p> <p>24 request, these requests?</p> <p>25 A. If legal counsel did not</p>
<p style="text-align: right;">Page 171</p> <p>1 JAMES MACE</p> <p>2 issue to date?</p> <p>3 A. As far as I know.</p> <p>4 Q. Are you aware of any claims</p> <p>5 having been dismissed in this action?</p> <p>6 A. I believe some were excluded,</p> <p>7 or some were dismissed or there were some</p> <p>8 reduction. But I don't, can't give you</p> <p>9 the specifics on that.</p> <p>10 Q. Okay.</p> <p>11 [The document titled Defendants</p> <p>12 James D. Bennett and Matthew K.</p> <p>13 Grubb's First Set of Requests for</p> <p>14 Production to Plaintiffs, was hereby</p> <p>15 marked as Mace Exhibit 28 for</p> <p>16 identification, as of this date.]</p> <p>17 Q. Do you have Exhibit 28 in front</p> <p>18 of you, sir?</p> <p>19 A. I do, yes.</p> <p>20 Q. And is this a document that you</p> <p>21 recognize?</p> <p>22 (Witness reviews document.)</p> <p>23 A. I do.</p> <p>24 Q. And you never reviewed it</p> <p>25 before?</p>	<p style="text-align: right;">Page 173</p> <p>1 JAMES MACE</p> <p>2 already have the documents, then they</p> <p>3 would have requested it from the, they</p> <p>4 would have requested it from the Trust</p> <p>5 Fund's files.</p> <p>6 Q. Did anyone make a request of</p> <p>7 you, James Mace, for documents in</p> <p>8 connection with this litigation?</p> <p>9 A. Not -- there is some limited</p> <p>10 requests. Mr. Jenkins asked for some</p> <p>11 limited documents.</p> <p>12 Q. And he made that request of</p> <p>13 you?</p> <p>14 A. The Trust Fund, yes.</p> <p>15 Q. So describe the nature of the</p> <p>16 search that you did to identify documents</p> <p>17 responsive to these documents requests.</p> <p>18 A. The investment policy</p> <p>19 statements or a couple of things like</p> <p>20 that.</p> <p>21 Q. And are you aware of having</p> <p>22 looked for any other documents in</p> <p>23 response to these requests?</p> <p>24 A. No.</p> <p>25 Q. Did anyone else at Northern</p>

<p style="text-align: right;">Page 178</p> <p>1 JAMES MACE</p> <p>2 at Northern Nevada have personal e-mail?</p> <p>3 A. I am sure they do.</p> <p>4 Q. Have any steps been taken to</p> <p>5 preserve those e-mails?</p> <p>6 A. I wouldn't know.</p> <p>7 Q. Was a document retention</p> <p>8 memorandum sent around to individuals at</p> <p>9 Northern Nevada, at any point in time?</p> <p>10 A. Yes. The record retention</p> <p>11 policy.</p> <p>12 Q. Beyond the record -- so -- the</p> <p>13 record retention policy is a general</p> <p>14 policy; is that right?</p> <p>15 A. Yes.</p> <p>16 Q. Was there any document</p> <p>17 retention memorandum tailored to this</p> <p>18 litigation sent around?</p> <p>19 A. No.</p> <p>20 Q. Has Northern Nevada had any</p> <p>21 discussions or communications with third</p> <p>22 parties about this litigation?</p> <p>23 A. No. Only through legal</p> <p>24 counsel.</p> <p>25 Q. Has Northern Nevada ever</p>	<p style="text-align: right;">Page 180</p> <p>1 JAMES MACE</p> <p>2 Q. Who is Mr. Dereschuk?</p> <p>3 A. He's the president of Sierra</p> <p>4 Investment.</p> <p>5 Q. And who at Northern Nevada had</p> <p>6 that communication?</p> <p>7 A. I discussed it with him. And I</p> <p>8 believe Mr. Jenkins discussed it with</p> <p>9 him.</p> <p>10 Q. Okay. And what was the</p> <p>11 substance of your communication with</p> <p>12 Mr. Dereschuk?</p> <p>13 A. Mr. Dereschuk, well, just the</p> <p>14 direction -- Riazzi, whereas they made</p> <p>15 the decisions. Riazzi made the</p> <p>16 decisions. Riazzi was the buy/sell</p> <p>17 investment manager and not Sierra. Not</p> <p>18 Mr. Dereschuk.</p> <p>19 Q. And are you saying that you</p> <p>20 communicated that to him, or they</p> <p>21 communicated that to you or --</p> <p>22 A. Well, I think it was the</p> <p>23 substance of a phone call. And it was</p> <p>24 his disclaimer saying this is a Riazzi</p> <p>25 issue. It's not a Sierra issue.</p>
<p style="text-align: right;">Page 179</p> <p>1 JAMES MACE</p> <p>2 communicated with Sierra investment</p> <p>3 management about this litigation?</p> <p>4 A. Yeah, to find out -- yes, in</p> <p>5 terms of what documents they might need.</p> <p>6 If we needed anything from them or they</p> <p>7 needed anything from us, to make them</p> <p>8 aware the case was going.</p> <p>9 Q. When did those communications</p> <p>10 with Sierra about the litigation</p> <p>11 commence?</p> <p>12 A. I think relatively recently.</p> <p>13 And in addition we, when litigation</p> <p>14 commenced, we -- the Trust requested that</p> <p>15 Baird/Sierra not sell the shares of</p> <p>16 stock. So that was a communication.</p> <p>17 Q. Why was that instruction given?</p> <p>18 A. Requested by legal counsel.</p> <p>19 Q. Do you have an understanding of</p> <p>20 the reasons?</p> <p>21 A. No.</p> <p>22 Q. Who at Sierra did Northern</p> <p>23 Nevada communicate with about this</p> <p>24 litigation?</p> <p>25 A. Bruce Dereschuk.</p>	<p style="text-align: right;">Page 181</p> <p>1 JAMES MACE</p> <p>2 Q. Did he reach out to Northern</p> <p>3 Nevada; is that what happened?</p> <p>4 A. I don't remember the genesis of</p> <p>5 the phone call.</p> <p>6 Q. Okay. Has Northern Nevada had</p> <p>7 any other communications that you can</p> <p>8 recall with Sierra?</p> <p>9 A. No.</p> <p>10 Q. Has Northern Nevada had any</p> <p>11 communications with Riazzi Asset</p> <p>12 Management or anyone there?</p> <p>13 A. No. I believe they are out of</p> <p>14 business.</p> <p>15 Q. And do you know who the</p> <p>16 principals are at Riazzi who made the</p> <p>17 investment decisions relating to</p> <p>18 SandRidge?</p> <p>19 A. Do not.</p> <p>20 Q. Has Northern Nevada had -- I</p> <p>21 think you're going to tell me you don't</p> <p>22 know, because we didn't know about this</p> <p>23 organization earlier, but has Northern</p> <p>24 Nevada had any communication with Baird</p> <p>25 about this litigation?</p>

<p style="text-align: right;">Page 186</p> <p>1 2 EXHIBITS (Continued): 3 4 Exhibit 16 document titled 104 Consent Order With 5 Defendant Trustees 6 7 Exhibit 17 document titled 104 Consent Order With 8 Laborers Plans 9 10 Exhibit 18 complaint filed that 104 led to the consent 11 orders 12 13 Exhibit 19 letter from Sierra 109 Investment Partners, 14 Inc., dated October 7th 2008, Bates stamped 15 NNEV0000648 16 17 Exhibit 20 letter from Sierra 111 Investment Partners, 18 Inc., dated February 25th, 2012, Bates 19 stamped NNEV0000649 20 21 Exhibit 21 document titled 113 Riazz Asset Management 22 Small Cap Value, Bates stamped SIERRA_0000002 23 24 25</p>	<p style="text-align: right;">Page 188</p> <p>1 2 EXHIBITS (Continued): 3 4 Exhibit 27 document titled 166 Plaintiffs' Motion For 5 Relief From Orders Pursuant to 6 FED.R.CIV.P.60(b)(6) and Opening Brief in Support 7 8 9 10 Exhibit 28 document titled 171 Defendants James D. 11 Bennett and Matthew K. Grubb's First Set of 12 Requests for Production to Plaintiffs 13 (The court reporter has retained all 14 exhibits.) 15 16 17 DIRECTION NOT TO ANSWER 18 Page 10, Line 19 19 20 21 22 23 24 25</p>
<p style="text-align: right;">Page 187</p> <p>1 2 EXHIBITS (Continued): 3 4 Exhibit 22 U.S. Bank statement 117 for Northern Nevada's 5 Account for the period Of February 1, 2011 to 6 February 28, 2011, Bates stamped NNEV0000022 through 42 7 8 9 Exhibit 23 U.S. Bank statement 117 for Northern Nevada's 10 account for the period from March 1st, 2011 to 11 March 31st, 2011, Bates stamped NNEV0000044 through 60 12 13 14 Exhibit 24 U.S. Bank statement 117 for Northern Nevada's 15 account for the period August 1, 2011 to 16 August 31, 2011, Bates stamped NNEV0000138 through 153 17 18 19 Exhibit 25 Third Consolidated 125 Amended Complaint 20 21 Exhibit 26 U.S. Bank account 165 Statement for the 22 period from November 1, 2012 to November 23 30th, 2012, Bates stamped NNEV0000414 24 through 453 25</p>	<p style="text-align: right;">Page 189</p> <p>1 2 CERTIFICATION 3 4 I, Dawn Matera, a Notary Public for 5 and within the State of New York, do 6 hereby certify: 7 That the witness whose testimony as 8 herein set forth, was duly sworn by me; 9 and that the within transcript is a true 10 record of the testimony given by said 11 witness. 12 I further certify that I am not 13 related to any of the parties to this 14 action by blood or marriage, and that I 15 am in no way interested in the outcome of 16 this matter. 17 IN WITNESS WHEREOF, I have hereunto 18 set my hand this 24th day of April, 2018. 19 20 21 22  23 Dawn Matera 24 25</p>

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